



# ***Daily Report***

## **East Asia**

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# Daily Report

## East Asia

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## Japan

### Hashimoto Asks Mexico's Presence at WTO Talks

OW2205124395 Tokyo KYODO in English  
1223 GMT 22 May 95

[FBIS Transcribed Text] Paris, May 22 KYODO — Japan has asked Mexico to take part in auto and auto parts trade talks with the United States at the World Trade Organization (WTO), Japanese officials said Monday [22 May].

Japan's Trade Minister Ryutaro Hashimoto, in Paris to attend a ministerial conference of the Organization for Economic Cooperation and Development (OECD), made the request when he met with Mexican Trade Minister Hermino Blanco at the OECD headquarters here Monday morning.

Japan has filed a complaint with the WTO for settlement through bilateral talks following the U.S. announcement May 16 of a preliminary sanctions list against Japan.

Washington has threatened to impose 100 percent punitive tariffs on imports of 13 Japanese luxury car models, retroactive to Saturday, if both sides fail to mend the ruptured auto and auto parts trade negotiations by June 28.

Blanco was quoted as telling Hashimoto that the dispute is a trade problem and it is undesirable for Japan and the U.S. to confront each other politically.

He welcomed moves by both sides to solve the issue at the WTO and indicated Mexico's support for Japan's position in the dispute, the Japanese officials accompanying Hashimoto said.

### U.S. Asked To Retract Call for Auto Targets

OW2205233595 Tokyo KYODO in English  
2308 GMT 22 May 95

[FBIS Transcribed Text] Paris, May 22 KYODO — Japan's International Trade and Industry Minister Ryutaro Hashimoto asked the United States on Monday [23 May] to withdraw its call for voluntary targets in buying additional U.S. auto parts, which he said is preventing a breakthrough in the deadlocked bilateral framework talks on auto and auto parts trade.

At a press conference, Hashimoto said the U.S. announcement of the punitive sanctions list of Japanese luxury cars last week has begun to have an adverse effect on auto parts makers and U.S. workers.

Hashimoto is staying here to attend a ministerial meeting of the organization for economic cooperation and development on Tuesday and Wednesday.

"Japanese automakers are procuring 243 million dollars of parts annually from the U.S. to assemble the 13 luxury car models on the sanctions list. If the U.S. Administration imposes punitive tariffs of up to 100 percent on the Japanese cars, U.S. auto part makers will lose the market, reducing jobs in the industry," Hashimoto said.

U.S. Trade Representative Mickey Kantor announced a list of sanctions of punitive tariffs on the Japanese cars after a rupture in talks in Canada with Hashimoto. They held a series of meetings before a four-way meeting of trade ministers from the U.S., Japan, the European Union and Canada two weeks ago.

Referring to a comment by Kantor that the ball is in the Japanese court at the Hashimoto-Kantor meeting in Canada, Hashimoto said, "Ambassador Kantor's ball did not go in the Japanese court. It's Mr. Kantor's turn to serve. Mr. Kantor has to pick up the ball and put it back into the Japanese court."

### Okamatsu To Defend Tokyo in Auto Dispute

OW2305135395 Tokyo KYODO in English  
1345 GMT 23 May 95

[FBIS Transcribed Text] Tokyo, May 23 KYODO — The Ministry of International Trade and Industry (MITI) has asked its former vice minister for international affairs, Sozaburo Okamatsu, to hold a string of meetings with the senior trade officials of some European nations to defend Japanese positions in the auto trade dispute with Washington, a senior MITI official said Tuesday [23 May].

Okamatsu is already in Europe with other Japanese officials to lobby some 30 European nations and international agencies to throw their weight behind Japanese assertions that the U.S. plan to slap a 100 percent punitive import duty on Japanese luxury cars is unfair, the official said.

Okamatsu, who is now acting as a senior policy adviser to MITI, will also assert that both the Japanese Government and auto industry have been making efforts to remove market barriers to auto imports, said the official, speaking on condition of anonymity.

Okamatsu is coordinating his campaign efforts with other top MITI officials also now on a European visit, including incumbent vice minister for international affairs, Yoshihiro Sakamoto, and Hisashi Hosokawa, director general of the International Trade Policy Bureau, the official said.

Okamatsu "will feel free to speak out his mind as he is not an incumbent executive," he said.



**Official: No Plans for Hashimoto-Kantor Meeting**

OW2305100595 Tokyo KYODO in English  
0955 GMT 23 May 95

[FBIS Transcribed Text] Tokyo, May 23 KYODO — Japan will "challenge the perception" that its markets are closed during a meeting of rich nations just started in Paris, a top trade official said Tuesday [23 May].

Indicating Tokyo is stepping up its public relations campaign in its auto dispute with the United States, the senior Ministry of International Trade and Industry (MITI) official said Japan will assert its openness at the ministers' meeting of the Organization for Economic Cooperation and Development (OECD).

Speaking as the two-day meeting got under way, the official told reporters on condition of anonymity that other countries' cabinet ministers probably do not understand such details as national regulatory systems and are relying on their general impressions that Japan is closed.

Japan, represented by MITI Minister Ryutaro Hashimoto, Foreign Minister Yohei Kono and Economic Planning Agency chief Masahiko Komura, will counter the idea, pushed by the U.S., that the Japanese market excludes foreigners, the official said without elaborating.

There are no plans for Hashimoto to meet one-on-one with U.S. Trade Representative Mickey Kantor in Paris, the official said, although he noted that they will be attending the same meetings at the conference.

The bilateral car talks broke down May 5 when Hashimoto and Kantor failed to bridge their gaps on the key trade sector. Both nations have appealed to the World Trade Organization (WTO), the U.S. has announced plans for 5.9 billion dollars worth of sanctions on Japanese luxury cars and MITI officials say Japan is considering countersanctions.

The U.S. has not responded to Japan's request for quick treatment of Tokyo's WTO complaint, the senior MITI official said.

If Washington does not answer within 10 days of last Wednesday's filing by Japan, the usual response period of 60 days takes effect. If the U.S. has still not responded whether it will discuss Japan's complaint bilaterally at the Geneva-based WTO within 60 days of Japan's filing, a WTO dispute settlement panel will automatically take up the case, the official said.

The official rejected an explanation by Kantor that the U.S. took the sanctions action alongside its own WTO filing because issues of auto inspections and the spare-parts market are not within the WTO's jurisdiction.

Those issues address Japan's regulatory system, which is a "favorite" topic of the fledgling WTO, he said.

The MITI official also moved to preempt a potential bilateral trade dispute, rebuffing claims by Eastman Kodak Co. that Japan limits access to its consumer film and photographic paper markets.

Kodak said Thursday it is appealing to the U.S. Government to act against Japan under Section 301 of the 1974 Trade Act, the same statute used for the auto sanctions. It charges anticompetitive practices such as resale price maintenance, rebates and price fixing by Fuji Photo Film Co., often with government participation, have kept Kodak products out.

Kantor's office is to decide within 45 days whether to investigate.

But even before the U.S. authorities have responded, the senior MITI official produced charts showing, among other things, that while Fuji Photo holds some 70 percent of the Japanese film market to Kodak's 10 percent, the numbers are almost exactly reversed in the U.S. market.

**Automakers Divided on Luxury Car Shipments**

OW2305125195 Tokyo KYODO in English  
1149 GMT 23 May 95

[FBIS Transcribed Text] Tokyo, May 23 KYODO — Nissan Motor Co. said Tuesday [23 May] it will join Honda Motor Co. and Mazda Motor Corp. in suspending luxury car shipments to the United States to avoid possible sanctions by Washington but industry leader Toyota Motor Corp. said it has no such plans at present.

Nissan, Japan's No. 2 automaker, said it will suspend exports of its Infiniti and two other luxury models placed on a U.S. preliminary list of products to be hit with punitive tariffs in June.

The company also said it plans to cut production of the three models in May by 50 percent from the projected 5,000 units.

The company has already launched negotiations with parts suppliers on the reduction, officials said.

Honda disclosed its decision to halt shipments of its luxury cars to the U.S. market after Washington unveiled last week a preliminary list of 13 Japanese luxury car models on which 100 percent punitive tariffs would be imposed unless a breakthrough is made in deadlocked negotiations on auto and auto parts trade between the two countries by June 28.

The United States claims Japan's auto and auto parts markets are closed to imports.



Nissan said whether the company will continue to suspend shipments beyond July depends on the development of trade negotiations.

The company said three models held in stock in the United States stand at an optimum level or about two months' supply.

Masami Iwasaki, vice president of Toyota, said his firm has no plans to suspend luxury car shipments to the U.S. at present because of short supplies held in stock.

He said 80 percent of the tires and 100 percent of airbag components used for its luxury cars like Lexus come from U.S. suppliers, indicating the U.S. action will deal a blow to domestic auto parts makers.

Another vice president, Hiroshi Okuda, said "we will continue production and exports until it becomes clear whether the sanctions are imposed or not."

Mitsubishi Motors Corp. said it has no intention of taking measures to cope with the possible U.S. sanctions but may halt shipments of vehicles subject to U.S. action to reduce swollen inventories in the U.S.

Honda said it may be forced to consider production cutbacks if the U.S. sanctions are held pending for a long period.

#### **Toyota Plans Foreign Parts Marketing Network**

*OW2005012795 Tokyo NIHON KEIZAI SHIMBUN in Japanese 18 May 95 Morning Edition p 1*

[FBIS Translated Text] Toyota Motor Corporation will set up a marketing network that will mainly deal in inexpensive foreign-made auto parts and accessories in early 1996. It will wholesale U.S.-made tires and batteries to affiliated dealers and also retail directly to consumers.

Toyota has an existing network of distributors that supplies "genuine parts and accessories" to Toyota Group dealers. The new network will be a separate, "second route." Compared to the annual transaction volume of the distributors' network of more than 400 billion yen, the second network is initially expected to do business up to around 10 billion yen.

The purpose of this new network is to attract customers who now tend to go more for imported products, and also to pacify U.S. criticism by increasing Toyota's parts imports. This may contribute to efforts to seek a breakthrough in the deadlocked Japan-U.S. negotiations on automobiles and auto parts.

The so-called genuine parts and accessories are mass produced by the automobile makers and affiliated companies. Toyota formed partnerships with affiliated dealers to set up 33 exclusive distributors nationwide,

through which genuine car products are wholesaled. Guidelines for the second network that will deal in cheaper "non-genuine products" will be drawn up in 1995, and marketing operations will start in early 1996.

Toyota plans to first set up wholesalers of parts and accessories in Tokyo, Osaka, and other major cities. During the initial stage, Toyota itself may directly operate these businesses.

The wholesalers will not only supply the Toyota-affiliated dealers, but will also do wholesale business with general car products dealers and retail through Toyota subsidiaries. This sales network will deal in tires, batteries, wax, aluminum wheels, and other items. Aside from selling inexpensive products manufactured in Europe, the United States, and Asia, Toyota will also manufacture cheaper versions of genuine parts and market them as "semi-genuine parts." These will mainly consist of products that will not be competitive if marketed through the distributors' network as genuine parts due to the development cost and dealers' commission entailed.

While Toyota is already selling U.S.-made Goodyear tires, it mainly procures parts and accessories made by Toyota Group parts manufacturers and supplies them to its dealers as genuine parts. As much as 90 percent of the 400 billion yen sales of Toyota distributors annually consist of genuine parts, with the remaining mostly foreign products. The new network is expected to partly absorb the marketing of such foreign parts and eventually develop into a 10-billion-yen operation.

At the negotiations on the automobiles and auto parts sector of the Japan-U.S. economic framework talks, the United States has criticized Japan for the closed nature of its maintenance parts market. Therefore, the Transport Ministry has started to take steps to relax regulations on vital safety parts, the servicing of which is limited to especially appointed garages. The second marketing network will also serve to demonstrate Toyota's stance of opening up its maintenance parts market to other makers. This is also meant to address the growing consumers' preference for imported parts and accessories.

With the virtual opening up of the sales network for parts and accessories by Toyota, which controls the largest domestic dealer network, an increase in sales of foreign auto parts and accessories, which have become increasingly cost competitive due to yen appreciation, is expected.

While the Japan-U.S. auto talks have broken down over the U.S. Government's demand to append the Japanese makers' parts procurement, Toyota's "deregulation" is



certain to expand market opportunities for foreign parts and accessories makers.

#### **Auto Trade Dispute With U.S. Discussed**

*OW1905113395 Tokyo NIHON KEIZAI SHIMBUN in Japanese 17 May 95 Morning Edition p 13*

[First article in a 3-part series: "Automakers Are Seeking Breakthrough — Examination of Japan-U.S. Friction from Microeconomic Viewpoints"; this part by industrial reporter Hitoshi Saito]

[FBIS Translated Text] Following the U.S. announcement on 16 May of a list of Japanese items subject to sanctions, tensions between the two countries have increased over auto and auto parts talks under the bilateral framework trade negotiations. The Governments of Japan and the United States are criticizing each other, and working out countermeasures. It seems as if they are in a trade war. In such a situation, what is happening within automakers? From microeconomic viewpoints, we examined their moves, including their efforts to seek a breakthrough.

#### **U.S. Believes "Toyota Will Soften Its Stand"**

On 28 April, George Mu [name as published], a minister in charge of commercial affairs at the American Embassy in Japan, visited Osamu Watanabe, head of the Machinery and Information Industries Bureau in the Ministry of International Trade and Industry (MITI). At the meeting, the minister disclosed a compromise plan for auto talks scheduled for early May. He told Watanabe: "We will not demand that Japanese automakers increase by 10 to 20 percent their procurements of U.S.-made parts. We plan to demand only a five-percent increase."

MITI rejected the compromise plan based on its conclusion: "U.S. Trade Representative Mickey Kantor still maintains a tough stand. If we abandon the principle of rejecting any demands for purchasing more U.S. parts, U.S. demands will certainly escalate." Holding out hope, Mu next visited Toshiaki Taguchi, a director at Toyota Motor Corporation, on 1 May and asked him to buy additional U.S. parts. Although he failed to extract commitments from Toyota, his meeting with Taguchi indicated Washington's efforts to seek from Toyota a breakthrough in deadlocked auto talks.

Much information have been spread in Washington that "Toyota is positively considering purchasing more parts." A senior official of the American Embassy said: "Some Toyota officials think it is all right for the company to procure more parts." However, the fact is that at a meeting held prior to auto talks with the United States, Toyota Chairman Shoichiro

Toyoda, also head of Keidanren [Japan Federation of Economic Organizations], and MITI Minister Ryutaro Hashimoto agreed "to reject demands for buying more parts." Therefore, there is no possibility that Toyota will comply with a call for buying additional U.S. parts. Even so, many people in Washington believe that "Toyota will soften its stand."

#### **Toyota Owes a "Tough" MITI**

Toyota, which is said to have the power to purchase parts worth more than five trillion yen a year, has strength to buy more. The rumor that the company may procure additional U.S.-made parts stems from hopes the U.S. Government puts on the company and Toyota's undecided attitude. Many people point out inconsistency in Toyota's assertions.

Asked by MITI, Toyota announced in March, 1994, its voluntary plan to procure U.S.-made parts worth \$6.45 billion during FY 1996. At that time, Chairman Toyoda expressed his displeasure, saying: "MITI always becomes weak-kneed at the last minute." His remark was made in reference to the announcement made by the government during former U.S. President George Bush's visit to Tokyo in January, 1992 that Japanese automakers would purchase U.S. parts worth \$19 billion in FY 1994. The remark was the auto industry's criticism of MITI's weak attitude.

This criticism led MITI Minister Hashimoto to rejecting a parts-procurement demand put forward by the United States during talks last autumn. Toyoda spoke highly of MITI's rejection, saying: "I highly evaluate the ministry's efforts." Toyota owes Hashimoto because he also suppressed complaints that "Toyota's exports are the primary cause for the yen's appreciation." The complaints were made by Liberal Democratic Party members when the government decided on an emergency yen-curbing pump-priming package in April. To pay back its debt to Hashimoto, the company has given support to MITI's "firm attitude toward the United States."

However, the emerging possibility that sanctions may actually be imposed on Japan has created a commotion in the company.

If punitive tariffs of 100 percent are imposed on Japanese luxury cars, it will become almost impossible for Toyota to export to the United States its five luxury car models, including "LS-400" (called Cercio in Japan) which the company supplies to U.S. Lexus dealerships. The volume of combined exports of these five models totaled about 87,000 cars in FY 1994, accounting for 14.5 percent of Toyota's entire exports to the United



States. Because these luxury cars generate large profits, sanctions will deal a heavy blow to the company.

Lexus dealerships employ 2,570 salesmen. Some Toyota officials are worried, saying: "It is Toyota that gets hurt by acting together with MITI. Will (the government) take care of these employees if the dealerships go bankrupt?"

Toyota plans to increase its production in Canada to more than 100,000 vehicles by 1997. Referring to this, Washington asserts: "The company should be able to buy additional parts." However, parts procured in countries other than Japan and the United States are not counted in bilateral auto talks. For example, Toyota's voluntary plan to procure parts worth \$6.45 billion in FY 1996 does not include those purchased by its Canadian plant. It is apparent from this that the U.S. assertion is theoretically wrong. Nevertheless, some U.S. news organizations, which took the "commotion" within Toyota as a sign that the company might procure additional U.S. parts, reported: "Toyota is considering buying more U.S. parts to increase its production in Canada."

As Keidanren head, Toyota Chairman Toyoda has called on "automakers to take unified action" toward the United States. At a regular news conference on the afternoon of 16 May, he said: "I hope that the government will carefully discuss its plan to bring the case before the World Trade Organization (WTO) and make efforts for peaceful settlement." In the middle of the night on that day, the U.S. disclosed its list of items subject to sanctions. Asked to comment on the U.S. announcement and MITI's plan to file complaints with the WTO, Toyoda said: "I hope the two sides will discuss the trade dispute at the WTO in a calm manner and in accordance with international rules." In this way, he tried to be "reasonable" in his remarks. Although MITI and Auto Industry Think Different Things, They Act As If They

#### **Were Monolithic**

"Confrontation between Japan and the United States" has caused unrest in Toyota. Some Toyota officials are concerned about future developments in negotiations with Washington, saying: "What will happen if the cabinet is reshuffled and MITI Minister Hashimoto is relieved from the post?"

Having a sense of remorse over its repeated compromises in past talks with Washington, MITI insists that "the ministry will act according to its principles." If MITI can be called a samurai warrior, Toyota is a merchant who gives priority to gaining profits. There are basically differences in their intentions. Although their relations are closely connected, they think totally dif-

ferent things. However, in bilateral auto talks MITI and the auto industry have acted as if they were monolithic.

Top Toyota executives now say: "As a company, we will do anything we can (to improve Japan-U.S. relations) other than setting numerical targets. They include increasing imports of autos and auto parts and expanding overseas production." However, if other car makers have no power to go with Toyota in such efforts, the company will eventually steal a march on others. Also, Washington will not welcome such efforts because it has called on Japan to deal with auto issues under the joint administration of the public and private sectors. Toyota, which has to spearhead efforts to settle the trade dispute as the representative of Japan, has been urged to solve the problem.

#### **Effect of Sanctions on U.S. Auto Sales Viewed**

OW2305125495 Tokyo NIHON KEIZAI SHIMBUN  
in Japanese 18 May 95 Morning Edition p 13

[Second article in series entitled "Automakers Are Seeking Breakthrough — Examination of Japan-U.S. Friction From Microeconomic Viewpoints" by New York correspondent Ichiro Kuwata: "True Intention of American Parts Makers"]

[FBIS Translated Text] Regarding the U.S. Government's announcement of a "list of Japanese luxury cars earmarked for sanctions," an official of a Japanese automaker points out that "it is the Big Three's open attempt to secure their rights and interests." While trying to expel Japanese luxury cars from the U.S. market by raising tariffs on them, the U.S. Government did not include in the list parts, which may have an adverse impact on the Big Three. However, U.S. parts makers are concerned about Japanese automakers as their business partners. Some U.S. car dealers are of the view that only European automakers will benefit from the U.S. decision. With their political influence in the background, the Big Three mapped out a strategy of creating an impression that the announcement is a result of united efforts by the government and the people. But the more we step into the issue, the more we hear about the Big Three's true intentions.

#### **Rivals Are European Cars**

John Masseur, manager of "Dick and Gidlon Cadillac" in New York, anxiously said: "The sanctions will help us boost our sales." In 1994, he sold 300 "Cadillacs," luxury cars built by General Motors (GM). He even affirmed: "Since our sales this year are low, we would like to use the sanctions as a springboard."

"Bayridge Lexus" in New York, which is affiliated with "Toyota Lexus," sold 780 Lexus cars last year.



Ninety percent of the cars they sold were "ES300s" and "LS400s," which are included on the sanctions list. John Iacono, vice-president of Bayridge Lexus said in distress: "We cannot stay in business if the sanctions actually take place." "We will have no choice but to study the possibility of laying off some of our 47 employees. The U.S. Government will eventually have to take care of those who lose their jobs."

"We will deal a blow to Japanese luxury cars and ask the American consumers to buy American cars instead." So far, it seems that the current situation is in accordance with the scenario written by the U.S. Government and the Big Three. The sanctions list is a U.S. message that it will expel 200,000 Japanese cars from the U.S. luxury car market, where 800,000 luxury cars are sold each year, unless Japan compromises. But many car dealers are skeptical of the scenario.

John Galanin, manager of "Estate Motors" which sells Mercedes-Benz cars on the outskirts of New York City, anxiously said: "The sanctions against Japan are a chance to expand our sales." He thinks that consumers who cannot buy Japanese cars will actually choose European cars. He points out: "Our rivals are European cars, and I am absolutely certain that the Big Three will not gain from the sanctions."

#### **Creating the Impression That the Announcement Is the Result of United Efforts by the Government and the People**

At a 16 May news conference, U.S. Trade Representative Mickey Kantor explained that he avoided including auto parts on the list because "it is not wise to shoot yourself in the foot." Japan exported a total of about 1.4 trillion yen worth of auto parts to the United States in 1994. One-third of this is for the Big Three. Japan-U.S. business expanded because, among other things, Chrysler buys 400,000 engines a year from Mitsubishi Motors Corporation. It is said that top leaders of the Big Three visited the venue where the Japan-U.S. negotiations on autos and auto parts were held and told the U.S. negotiators "do not step on our own toes."

The U.S. Government and the Big Three are also trying to create a favorable atmosphere, saying that "Japan is to blame for the rupture of the negotiations." In mid-April, 19 industrial circles, including auto and steel makers, held a joint news conference and expressed their support for the automotive industrial circles.

Ken Wash, senior official of the American Software Publishing Association who joined the movement of the government and the Big Three, said: "The automotive industrial circles supported us when we were negotiating with China on intellectual property rights. Now it is

our turn to support them." The groundwork, which the Big Three started to energetically promote around the beginning of this year when the United States was negotiating with China, is beginning to bear fruit.

#### **"Loss or Gain"**

We cannot ignore the fact that the Japanese Government and industrial circles are united for the "sake of courtesy" [giri]. But it is also deniable that the monolithic system of the United States is supported by industrial circles' delicate self-interests. Senior officials of the U.S. Auto Parts Association, which has close relations with the Big Three, criticized Japan, saying: "Japan's parts market is closed to foreign companies." However, a top executive of a major U.S. parts maker said: "We are saying that we support the U.S. Government because we are under pressure to say that. But we would like to keep good relations with the governments of both countries. Therefore, we do not like the rupture in negotiations." In this way, he explained his concern that the collision between Japan and the United States may have an adverse impact on his company's business with Japan.

Japanese and U.S. companies are deepening their business ties each year. One year ago, Toyota Motor Corporation traded with 450 U.S. parts companies and is showing a position of further increasing its number of U.S. business partners. When the U.S. Government started to talk about imposing sanctions against Japan over the semiconductor issue, all major U.S. computer-makers, who use Japanese semiconductors, launched a lobbying campaign, saying: "We will be the ones to suffer most if sanctions are imposed." Japanese and American companies deepened their ties of mutual reliance. Because of this, more and more companies are being placed in a dilemma between the two governments.

The Big Three, who achieved the best business turnover in 1994, "strengthened their influential power in U.S. industrial circles," (according to a Japanese automaker). It is certain that the United States will try to maintain its stand of seeking "concrete numerical targets" until the sanctions actually go into effect on 28 June. However, only Ford Motor Company is exerting conspicuous efforts to establish a sales network in Japan. The other two companies lag behind Ford. A senior executive of General Motors Corporation in Japan said "We are in agreement with the announcement made by our headquarters in the United States...." His remarks lack driving force.

The U.S. industries are saying "the ball is in Japan's court." But there are diverse opinions in the United States. Because of this, there is an uncertain portion in the unity among the members of the Big Three. It is



Japan's task to decide to whom and how it will make approaches over the issue of auto dispute. Rather than relying on the negotiations between the governments, Japanese and American companies are urged to hold discussions among themselves to calculate the amount of possible "loss or gain" [if the sanctions go into effect].

#### Foreign Reactions to Auto Trade Dispute

OW2305130095 Tokyo MAINICHI SHIMBUN  
in Japanese 20 May 95 Morning Edition p 9

[Fourth article in series entitled "Japan Said 'No,' But..." co-authored by Nagayo Taniguchi, correspondent in Brussels; Takuya Kishimoto, correspondent in Bonn; Yukihiro Machida, correspondent in Vienna; Shun Ono, correspondent in Manila; and Tomohiko Otsuka, correspondent in Jakarta: "EU Hopes To Make 'Profits' From Trade Dispute"]

[FBIS Translated Text] This article views reactions of other countries to the confrontation between Japan and the United States. There are various reactions. Some tough countries are trying to manipulate Japan and the United States and make profits from the trade dispute.

#### EU

The European Community (EU) has begun to use tough diplomatic techniques in connection with the trade war between Japan and the United States over auto and auto parts trade. Although it officially criticized U.S. demands on Japan, there are some signs indicating the EU hopes profit from the fight if circumstances allow.

At the European Parliament building in Strasbourg, EU Commission Vice President Leon Brittan recently told reporters that the measure by the United States against Japan runs counter to World Trade Organization (WTO) rules and noted: "We are very concerned." He then said: "Unilateral trade sanctions are not an appropriate measure." He also turned his criticism toward Japan, saying: "I agree with the United States in its efforts to liberalize the Japanese market."

In the past, the EU always criticized the United States whenever that country adopted high-handed negotiating tactics in talks with Japan. However, once an agreement was reached between the two countries, it sought the same treatment given to the United States by Japan based on the accord, claiming "equality under the General Agreement on Tariffs and Trade."

#### Germany

Both Japan and the United States have filed complaints with the WTO against each other. Commenting on this, a senior official at the German Economics Ministry said: "My sympathy lies with Japan's assertions." He

said it was intolerable for the United States to use such threatening negotiating tactics in trade talks with European countries, and noted that such tactics went against the growth of free trade.

Nonetheless, it is impossible for Germany to overtly express its "support for Japan." The same official said: "We would eventually act in accordance with Brussels' (the EU's) intentions." Taking into consideration all EU members' opinions, the German Economics Ministry thinks "the situation is advantageous to Japan." But it also points out the possibility that some countries may argue that "although the United States is to blame for its negotiating style, Japan is also at fault for the closed nature of its market," noting "both sides must be blamed."

#### Austria

There is no auto industry in Austria. The news media of this country have reacted coolly to the Japan-U.S. dispute, taking a distant position toward both countries. A prevailing view in news commentaries is "good products can sell anywhere." To put it another way, their opinion is: "U.S.-made cars do not sell well because there are problems on the part of the car-selling country, or the United States." As such, their criticism is severe.

The "STANDARD," an influential Austrian newspaper, notes: "Although the Japanese market is said to have a closed nature, German car makers have enjoyed increases in the sales of their products in Japan." Citing figures, a Tokyo correspondent of the newspaper reported on the present foreign share in the Japanese market.

According to the newspaper, five German automakers, including Mercedes-Benz, BMW, Volkswagen (VW), Audi, and Opel, increased their combined sales in Japan in 1994 by 20 percent to 116,314 vehicles over the previous year. The figure is three times the combined sales by the U.S. Big Three (Ford, Chrysler, and GM). The paper says the sales of German cars in Japan are still on the rise and the makers are expecting a 40 to 50-percent sales increase this year.

Like other newspapers, the STANDARD is critical of Japan. It says: "It is certain that Japan's dealership system, which gives priority to selling domestic cars, forms the very core of the problem." But it also notes: "The U.S. assertions have weak points." The paper is also critical of the United States in that VW and Audi are breaking records in their annual sales in Japan despite the fact that 55 percent of their sales outlets are Toyota-affiliated dealerships. The allegation made by the paper by comparing the sales of U.S. and German



cars in Japan appears to be convincing in Austria because the best selling cars here are also German ones.

### The Philippines

Commenting on the escalating trade friction between Japan and the United States, Philippine President Fidel Ramos recently told a news conference: "The dispute has caused apprehensions in many countries which have common interests in the effective functioning of the multilateral trade system established in the Uruguay Round talks and the WTO."

The Philippines takes a negative stand on the U.S. high-handed way of urging other countries to change their policies by threatening to impose economic sanctions. However, it refrains from overtly criticizing the United States because of the need for it to improve relations with Washington, which have weakened since the removal of U.S. bases in 1992.

The country fears that the worsening relations between Japan and the United States may have harmful effects on its economy because they are its largest trading partners and investors. It is likely that together with other Southeast Asian countries, the Philippines will urge Japan and the United States to settle their dispute through dialogue.

### Indonesia

The "JAKARTA POST," a major English-language newspaper in Indonesia, printed an editorial entitled: "U.S.-Japan Trade Dispute." The editorial raises three points as making the Japan- U.S. negotiations difficult; 1) Autos and auto parts account for 56 percent of the U.S. trade deficit with Japan; 2) The U.S. Government and auto industry negotiate with Japan while believing that the Japanese Government and car makers conspire to reduce the foreign share in the Japanese auto market; and 3) Japan is not aware that there are other reasons than economic concerns that the United States considers the auto sector important.

The editorial notes the need for Japan to pay particular attention to the third point, saying: "The United States is still the pioneer in the auto sector and has pride in its technology and industry." It also points out that the recent rapid appreciation of the yen against the dollar has complicated the negotiations. It says: "This is a bad time for Tokyo to negotiate with Washington," expressing its sympathy toward Japan.

The editorial questions an early settlement of the Japan-U.S. dispute at the WTO, pointing out that the world trade watchdog was only established in January and "its first task is a heavy burden for it." It also notes: "No matter how their negotiations develop from now

on, they should be aware that trade issues will not only worsen their relations, but will also endanger the world economy." In this way, the editorial expresses concern about the possibility of the trade dispute affecting Indonesia, which suffers from the strong yen.

### Editorial on Settlement of Auto Trade Issue

OW2305064695 Tokyo MAINICHI SHIMBUN  
in Japanese 18 May 95 Morning Edition p 5

[Editorial: "There Is Still Time Left To Do It"]

[FBIS Translated Text] The United States has announced a tentative list of items to be subject to sanctions under Section 301 of the U.S. Trade Act (a provision for retaliation against unfair trade practices), following the rupture of Japan-U.S. talks on autos and auto parts. The United States intends to put 100-percent retaliatory tariffs on 13 models of Japanese-made luxury cars. The sanctions will apply on \$5.9 billion worth of imports — the largest sanctions ever imposed.

Following the U.S. announcement, Japan immediately filed a complaint with the World Trade Organization (WTO). The government is also studying possible countermeasures against the United States. Thus, the outbreak of an "auto trade war" has become more likely.

However, we should not be hasty. Especially at a difficult time like this, we must make efforts to find a solution to this impasse in a calm manner. Thirty days remain before the action can go into effect. If both sides refrain from acting emotionally, we would like to believe, there is a way to avoid a final breakdown.

We should think about why the United States set 28 June as the time for drawing up the final list of sanctions. One reason is that time is needed to hold public hearings at home, but it is also apparent that the U.S. wants the final list to be announced after the industrial nations summit in Halifax, Canada. This delay probably reflects the U.S. desire to seek a resolution at the Japan- U.S. summit meeting.

Japan must make the most use of this delay. It is important for Japan to explain to the American people the rationale behind the Japanese position, so that they can consider it in public hearings.

Looking back on the recent round of talks, we see that the major point of dispute was the volume of U.S.-made parts that the Japanese auto makers are expected to buy. The United States insisted that Japanese makers voluntarily increase purchases of U.S.-made parts. Since Japan refused, the two sides have never been able to close the gap.



It goes against the free trade principle for a government to set a numerical target and force private companies to follow it. Besides, the harsh reality is that Japanese auto parts makers need to undergo restructuring. And it is obvious that the automakers are not in a position to increase their purchase of U.S.-made parts, either.

Speaking objectively, the U.S. demands are irrational. Even European nations admit that Japan's claims are reasonable. Furthermore, even in the United States some people speak critically of their government's action. It is desirable to make the American people understand this point and to make them aware that if the United States imposes sanctions on the Japanese automobiles, it will be a major blow to U.S. auto dealerships as well.

On the other hand, there is a need to push for measures to correct the trade imbalance between Japan and the United States.

Japan's current-account surplus amounts to roughly \$120 billion. The U.S. trade deficit runs to about \$150 billion, half of which is from trade with Japan. It is understandable why the United States is irritated with this imbalance of trade, which is showing no signs of improving. And it is against this background that the United States has so forcefully pressed its demands.

Considering all this, what is most important for Japan to do now is to move ahead with measures to reduce the trade imbalance by expanding its domestic demand, which will contribute to increasing imports. While there cannot be any single cure-all measure, it is important for Japan to carry out the "stimulus packages to address the yen surge and overall economic issues" adopted recently.

If the talks remain deadlocked despite these efforts, then the matter should be brought up before the WTO. Many are concerned about the prospect of the two economic powers — Japan and the United States — fighting it out before the fledgling WTO, which was launched only this January. Still, the wisest thing to do is to bring the issue to the arena of multinational talks if the issue cannot be settled between the two countries. Any overreactions must be avoided.

We would like to repeat the point: There is still time to negotiate. We urge both the government and the auto industry to act calmly.

#### **Editorial Views Decision on Base Issues**

*OW1805132495 Naha RYUKYU SHIMPO  
in Japanese 12 May 95 Morning Edition p 5*

[Editorial: "U.S. Military Base Issues Start Advancing — What Should Okinawa Do About This?"]

[FBIS Translated Text] Regarding the three pending U.S. military bases issues, the resolution of which Okinawa has strongly demanded, on 11 May the Japan-U.S. Joint Committee approved, among others, the following matters: 1) The relocation of Naha military port facilities to a reclaimed area off Urasoe City; and 2) the relocation of paratrooper exercises to an area (Aza Sokei, Ginoza village) in the vicinity of Ginoza reservoir within Camp Hansen, and the complete turnover of Yomitan Auxiliary Airfield to Okinawan landowners. Among the three pending issues, that of abolishing live-fire exercises across prefectural road 104 was shelved at the latest Joint Committee meeting.

The Okinawa Prefectural Government has given top priority to resolving these three issues among all other military base issues, and has strongly urged both the Japanese and U.S. Governments to settle them. All three issues have been a great barrier with regard to Okinawa's economic development and the Okinawan people's livelihood. They have been major problems since before Okinawa's reversion to Japan.

Regarding Naha military port, it was agreed at the Japan-U.S. Security Consultative Committee meeting in 1974 — shortly after reversion — that the port would be completely returned on the condition that the port facilities would be relocated to another site. Despite such an agreement, the resolution of the issue dragged on until now because a relocation site was never chosen. The return of Naha military port was considered the "main feature" of Okinawa's reversion to Japan. Although the port's return was to symbolize the historic event, more than 20 years passed before it materialized. This is simply too long. In other words, this is the reality of Okinawan reversion.

Naha military port is located next to Okinawa's front door. We cannot be sincerely overjoyed simply by the fact that the return of the port is finally beginning to materialize after more than 20 years have passed since reversion. The return of Naha military port is obviously an extremely important factor regarding Okinawa's development. We would like to point out, above all, that the Japanese and U.S. Governments should have tackled this issue sooner and should have been more serious about it, as well.



### **Materialization of the Return of the Port Was Much Too Late**

Seventy-five percent of all U.S. military bases in Japan are concentrated in Okinawa, a small island. As a result, many serious military base-related problems prevail here. The three pending issues taken up by the prefectural government are the most imminent among these problems. It goes without saying, however, that that is not all. Plans to relocate military base facilities which were approved at the latest Japan-U.S. Joint Committee meeting have been proposed by both Japan and the United States in the past. Therefore, that is how things were expected to turn out. However, the problem lies in the fact that these military facilities are to be relocated to areas not outside Okinawa but on the island.

Okinawan officials have insisted that relocating military facilities to other areas within a small island like Okinawa is not feasible and that the relocation of such facilities to anywhere on the island would not be a fundamental solution of the problem. It is for this very reason that we have called for removing military bases from Okinawa, and our attitude will never change.

Nevertheless, the Japanese and U.S. governments have agreed to relocate U.S. military facilities to alternate sites within Okinawa. We cannot accept agreements that fail to meet our traditional demands. In consideration of the spirit of Okinawan reversion, the Japanese and U.S. governments should have directed their efforts toward a more fundamental solution of military base issues. We believe many Okinawans share the same feeling.

However, it is true that military base issues, the clues to the solution of which have been difficult to find, have begun to advance.

As a matter of course, the residents of areas from which military facilities will be moved are inclined to welcome the solution of their long-pending problems. However, the residents of areas where the military facilities will be relocated have immediately expressed strong opposition. At Urasoe City, Ginoza village, and other municipalities, local administrative officials as well as the residents have all voiced complaint. It is natural for them to react in this manner. The Japanese and U.S. governments, as well as the prefectural government, must listen thoroughly to what the local administrative officials and residents have to say and what their demands are.

At the same time, it must be pointed out that what was debated in the series of meetings in which Okinawa's requests were presented, and the negotiations that were held, was whether Okinawa should persist in carrying on its principled stand or take a realistic approach. In

the process, a senior official at the Defense Facilities Administration Agency came out with the following remark: "The Okinawan people should try to coexist with military bases." The remark angered the entire Okinawan population and resulted in the official retracting his comment.

### **"No Thanks" to the Idea of Coexistence With Military Bases**

Should we persist in carrying through with the principle of removing military bases, or should we take a realistic approach and accept the situation as a step toward complete removal of military bases, even though we may not be entirely satisfied? This is an extremely difficult question as it involves the conflicting interests of the relevant municipalities all intertwined in a complex manner.

In a bid to somehow break the deadlocked situation regarding military base issues, officials at relevant municipalities have held discussions among themselves in the past. When Kosuke Uehara was director general of the Okinawa Development Agency, he made comments which drew much public attention. He said: "Regarding Naha military port, if Okinawa's reformist organizations, as well as the Social Democratic Party of Japan, simply continue insisting on the 'abolition of military bases,' the port will not be returned to our hands semipermanently. I can understand the Okinawan people's reaction, but what would happen if we think about Okinawa's development as a whole? I think it is time we should talk in real terms."

While it seems that Governor Masahide Ota is thinking about taking a realistic approach, the situation regarding the issues of Naha military port and the paratrooper exercises is headed for a climax with regard to such matters as how the relevant municipalities will respond to the national government's explanations, and the outcome of discussions between the prefectural government and the relevant municipalities.

The prefectural and municipal governments, as well as the Okinawan people, have the heavy responsibility of choosing whether to carry through a principled or realistic approach. However, we wonder if this choice is something that Okinawa must bear alone. In any case, we believe we must calmly assess the situation and act accordingly, asking ourselves which option will be beneficial to the local residents and the future development of Okinawa.

What we must not forget is to make it clear that we will not consent to nor accept it if the Japanese and U.S. Governments should spell out the planned relocation of military facilities under the premise that the Okinawan



people will be asked to coexist with military bases. Now that 50 years have passed since the end of World War II, we, the Okinawan people, want to completely sever ourselves from any connections with military bases and build the island into a center of peace, economic development, and interchange.

**Mahathir Urges Cooperation in EAEC Concept**

OW2105055295 Tokyo ASAHI SHIMBUN  
in Japanese 20 May 95 Morning Edition p 12

[FBIS Translated Text] In a 19 May meeting with Shoichiro Toyoda, chairman of the Federation of Economic Organizations of Japan [Keidanren], visiting Malaysian Prime Minister Mahathir Mohamad said: "Diversity and economic differentials exist in Asian countries. However, if industrialized countries help them develop, the gap will be rectified, and they will become promising markets. I hope Japan will cooperate with us as a leader of the Asian region." He thus showed his intention to realize the "East Asia Economic Caucus" [EAEC] concept, which he has enthusiastically proposed.

**Singapore's Lee Urges Market Opening**

BK1905120895 Singapore Radio Corporation of  
Singapore in English 1000 GMT 19 May 95

[FBIS Transcribed Text] Senior Minister Lee Kuan Yew says the time has come for Japan to take a lead in regional initiatives, but before the country can lead it must set the example and open up its own market.

Mr. Lee, who is in Tokyo, was speaking at the Nikkei (?Futures) Asia conference today. The senior minister said East Asia's stake in global trade requires it to undertake more responsibilities for keeping markets open — especially Japan, which has benefited most from open markets. Mr. Lee's view is that the strategy to maximize exports and minimize imports had served Japan well, but will now limit Japan's role and damage its growth. He noted that economic deregulation and market opening will also promote Japan's domestic restructuring and make Japanese firms more competitive.

On APEC [Asia-Pacific Economic Cooperation], Mr. Lee said the forum is the best way to ensure that markets in the U.S. and Europe remain open. He added that the coming APEC meeting in Osaka will give Japan a chance to show its leadership and to play a key role in advancing regional economic cooperation. It will especially be to Japan's advantage if the meeting resolves in the commitment to trade liberalization. Mr. Lee said it would be foolish if APEC lost the momentum set in motion at the last APEC summit in Bogor. The commitment under APEC will also help anchor U.S.

interests in the region since the U.S. is a member of APEC.

**Murayama: PRC, Taiwan Ties Remain Unchanged**

OW2305051695 Tokyo KYODO in English  
0447 GMT 23 May 95

[FBIS Transcribed Text] Tokyo, May 23 KYODO — Washington's decision to allow an unprecedented private visit by Taiwanese President Li Teng-hui will not lead to a revision of Japan's long-held policy toward Taiwan and China, Prime Minister Tomiichi Murayama said Tuesday [23 May].

"We will continue to maintain Sino-Japanese ties based on the peace treaty and the joint declaration," Murayama told reporters in referring to a communique signed as Japan and China established diplomatic relations in 1972 and the ensuing 1978 Peace and Friendship Treaty.

In the communique, Tokyo recognized Taiwan as an "inalienable part" of China and pledged "respect for the position" of the Beijing government with regard to the island.

Murayama also said that Japan, which will host an informal summit of leaders from the Asia-Pacific Economic Cooperation (APEC) forum in Osaka in November, will "stick to the policy taken at the previous two summits in Seattle and Bogor," where Li was not invited.

Murayama's views were echoed by Chief Cabinet Secretary Kozo Igarashi who told a regular news conference the same day, "our Taiwan policy remains unchanged. That is, we will continue to honor the basic framework of maintaining nongovernmental relations with Taiwan."

China considers Taiwan a renegade province. While tolerating other nations' unofficial economic and cultural exchanges with Taiwan, Beijing usually ardently protests any moves that could boost Taiwan's political profile.

Taiwan's Li has been trying to improve the island's international recognition through "private" trips to nations with no diplomatic ties and a bid for membership in the United Nations.

The U.S. State Department announced Monday that U.S. President Bill Clinton has decided to allow Li to make a "private" visit in June to his alma mater of Cornell University in the state of New York.

"This action follows a revision (last September) of administrative guidelines to permit occasional private visits (on a transit basis) by senior leaders of Taiwan, including President Li," spokesman Nicholas Burns told a regular press briefing.



Li will become the first Taiwanese president to visit the U.S. since Washington switched diplomatic relations from Taipei to Beijing in 1979.

#### **EPA: Consumers Unhappy With Pricing Policies**

*OW2205091095 Tokyo KYODO in English  
0842 GMT 22 May 95*

[FBIS Transcribed Text] Tokyo, May 22 KYODO — Japanese consumers have finally developed a sense of "displeasure" over the pricing policies of Japanese business operators that have priced various products at excessively high levels, according to an Economic Planning Agency [EPA] panel report.

The report was recently compiled by the EPA's panel of experts on the Japanese distribution system. The panel is chaired by Kenichi Miyazawa, professor emeritus of Hitotsubashi University.

The report said consumers have recently come to a fresh realization that they have been forced to pay too much for various products, despite the fact that such products "could have been sold to them at much lower prices."

The consumers have come to such a realization as a result of the ongoing price-cutting phenomenon by which the prices of a wide range of products have started to sharply decline amid greater competition between foreign and domestic suppliers, it said.

The report linked the price cutting to such factors as the anemic economy and flagging private consumption, deregulation, growing imports of lower-priced foreign products, and consumers' growing tendency to search for lower-priced products.

The report also urged consumers to step up such price-negotiating strategies as forming purchasing groups with other consumers in bids to place large-lot orders that could motivate producers to offer lower prices.

#### **BOJ Governor on Trend of Commodity Prices**

*OW2205112995 Tokyo NIHON KEIZAI SHIMBUN  
in Japanese 20 May 95 Morning Edition p 5*

[FBIS Translated Text] Bank of Japan Governor Yasuo Matsushita gave a speech in Tokyo on 19 May. Touching on the yen's sharp appreciation, Matsushita said: "The situation now indicates that it may have adverse effects, and we are strongly concerned with such phenomena as a possible decrease in corporate earnings." Thus, he indicated concerns over the outlook for business. Moreover, with regard to the observation that a serious deflation is now emerging in the domestic economy, Matsushita said: "It is dangerous to always concentrate debates on the price index." However, he also stated: "The point at issue now lies in whether the

drop in prices has amplified, thereby endangering maintenance of a sustainable growth in the economy." In this way, he stressed his plan to continue paying attention to the trend in prices while watching out for possible deflation at the same time.

In analyzing the situation, Governor Matsushita said: "It was apparent that the 1993 yen appreciation had adverse effects on business activities." Then, he stated his view that the recent yen's appreciation "has imposed adverse effects close to those of 1993 because fluctuations are considerably great." Saying that the yen sharp appreciation was caused by "overshooting," he also pointed out that its cause lies in "the U.S. structural problems connected with financial deficits." In this way, he called for U.S. efforts to address this concern.

With regard to deflation, he stated his view that the drop in prices of imported commodities has resulted from the yen's appreciation as well as by the efforts to rationalize production and distribution, which is not a deflationary phenomenon. However, he added: "It is important to note that the GDP deflator (which indicates the trend in prices) has dropped, though limited, since the 1994 October-December period as compared with that of the previous period."

#### **Timing of Cabinet Reshuffle Uncertain**

*OW2305092995 Tokyo KYODO in English  
0920 GMT 23 May 95*

[FBIS Transcribed Text] Tokyo, May 23 KYODO — A top government official Tuesday [23 May] said Prime Minister Tomiichi Murayama is likely to reshuffle his cabinet after the July election of the House of Councillors, saying it would be a logical thing to do.

"Making a fresh start with a new lineup after the upper house election would be easy for people to understand," the official, who refused to be identified, said, adding he thought it would be "common sense."

If realized, it will be the first reshuffle since Murayama took office in June last year as head of the coalition government of his Social Democratic Party, the Liberal Democratic Party and new party Sakigake [Harbinger].

The official described the upcoming upper house election as a confidence vote for the tripartite coalition government.

It can be seen as having gained the public's confidence if the three parties as a whole win the upper house election, even should the SDP(J) [Social Democratic Party of Japan] suffer a major defeat, the official said.

The official stressed the need for the three parties to map out a new policy agreement before the election to



replace that agreed upon last June when the coalition was formed.

"It will be better to draft a new agreement among the three parties before the election so as to send a clear message that they will maintain the current framework of the coalition as a second Murayama cabinet," he said.

But the timing of a cabinet reshuffle remains uncertain due to the coalition's strong view that it be carried out soon after the Group of Seven leaders hold a summit in Canada in mid-June.

#### **Kubo Discusses Future of Murayama Administration**

OW2305024095

[FBIS Editorial Report] Tokyo FNN Television Network in Japanese at 2318 GMT on 20 May, in its regular Sunday "News 2001" program, carries a 25-minute live panel discussion on the themes of "The Era of Crises: The Limitations of the Coalition Alliance" and "The Defeat of the Social Democratic Party of Japan (SDPJ) in the Upper House Election: Scenario for Political Realignment." Participating in the discussion, moderated by FNN newscaster Yuji Kuroiwa and Junko Hamada, are Wataru Kubo, secretary general of the SDPJ; Atsuyuki Sasa, former director of the Cabinet Security Affairs Office; Jiro Yamaguchi, Hokkaido University professor; and political commentators Minoru Morita and Kenichi Takemura.

Kuroiwa begins the discussion by asking Kubo how he feels about public criticism of the way the administration of Prime Minister Tomiichi Murayama responded to the Great Hanshin Earthquake and to the Tokyo subway sarin gas incident and other terrorist acts that have occurred in Japan recently. Kubo counters the criticism by saying: "Unusual events that we have hardly ever experienced in the past have occurred one after another, and I feel the government has done its best to cope with the situation." He points out, however, that the government should lend its ears to such criticism, acknowledging any shortcomings and seeing if there are lessons to be learned.

Asked what he considers the biggest mistake the government has made in handling recent events, Sasa points out that the government neglected to deal with matters promptly when the Aum Shinrikyo cult was already violating various laws, thus allowing the situation to get out of hand. He adds that this is not a problem between the cult and the police but rather one that concerns the entire nation, and therefore the government should do all it can by enforcing various laws to ensure that similar incidents will never be repeated. Sasa then suggests that Murayama should do something about projecting a

better political image. Panelists discuss the importance of leadership and ways for leaders to project better images of themselves.

At 2324 GMT, Kuroiwa shows a table showing the results of the television station's weekly public poll on the Murayama administration. The support rate for the administration is shown at 27.8 percent, while the non-support rate has risen to a record 58.4 percent. Kuroiwa notes that Murayama reportedly told Yoshiro Mori, secretary general of the Liberal Democratic Party (LDP), in a recent meeting that he was thinking of quitting. In response, Kubo says that he has no knowledge of what Murayama told Mori, but that in a long discussion with Murayama after the latter's meeting with Mori, there was absolutely no indication that the prime minister was thinking about quitting. Kubo says: "We talk about many things when the two of us meet, but Murayama never has said anything like 'The administration is over' or 'I am tired.'"

At 2327 GMT, Kuroiwa asks Yamaguchi how he views the future of the Murayama administration. Yamaguchi criticizes the administration, saying: "Although the administration may still last a while, based on how the principles of Nagata-cho (the Tokyo district where the Diet is located) work, I think the administration has reached its limits in the sense that the administration does not seem to know what it wants to do." He adds that the administration may end up with no noteworthy achievements to its credit.

Kubo counters that argument by mentioning various achievements of the Murayama administration in areas neglected by previous administrations, such as disarmament, Okinawa's U.S. military base-related problems, and social welfare. He adds: "I feel the people should give a little more credit to the administration for these things."

Takemura points out that the administration has not done very well in publicizing what it has achieved. He also stresses that SDPJ needs to reexamine its views on the post-Cold War situation, since the party continues to advocate disarmament in line with eased East-West tension following the collapse of the Cold War structure but fails to recognize the military buildup in many parts of Asia in recent years.

At 2333 GMT, the topic of discussion shifts to the outlook for the upcoming upper house election in July. A pre-recorded videotape is shown in which political commentator Minoru Morita comments on the election. He predicts the SDPJ will lose a considerable number of seats in the upper house and that the party leadership will be held responsible if the party fails to win at least 20 seats. He also mentions a scenario in which



Murayama would turn over power in late May or early June to LDP President Yohei Kono, who would attend the June Halifax summit, after which the Diet would be dissolved and a general election would be held. However, he says he feels this scenario is unlikely.

Kubo points out that what matters is not how many seats the SDPJ can win but "whether the party can maintain its political influence in the course of the election."

Panelists continue discussion on the outlook for the upcoming elections and further political realignment.

At 2339 GMT, Kubo refers to the possibility of a breakup of the current coalition alliance if the Diet fails to adopt a war-renouncing resolution to mark the 50th anniversary of the end of World War II in line with an agreement initially made among the coalition members in forming the alliance. He says: "If we fail to carry this out, we may have to reexamine the coalition government itself since it concerns the credibility of the three parties involved and of a pledge we made to the people."

Sasa points out that extreme discretion must be used in choosing the appropriate English translation for certain important expressions in the Diet resolution, as serious consequences may result from inappropriate translations. He urges Kubo to persuade the adoption of the term "nonaggression" in the Diet resolution. Takemura supports Sasa's argument, and Kubo says he will keep it in mind.

At 2344 GMT, the topic of discussion shifts to the question of when the next general election may be held. Kubo says: "Although I do not think now is the time to dissolve the Diet, I think the possibility is always there. If I were to be asked to give my opinion, however, I must say now is not the right time to hold a general election." He thus indicates that for the time being, the outcome of the debate over the war-renouncing Diet resolution would determine the future course of the political situation in Japan.

### North Korea

#### Negotiators 'Businesslike' in Malaysian Talks

OW2005125395 Tokyo KYODO in English  
1216 GMT 20 May 95

[By Timothy Johnson]

[FBIS Transcribed Text] Kuala Lumpur, May 20 KYODO — Senior negotiators from the United States and North Korea ended their first day of formal talks Saturday [20 May] aimed at breaking the current deadlock on the supply of modern nuclear power reactors to North Korea.

Members of the two delegations emerged at dusk from the U.S. Embassy in the Malaysian capital and sped off to an informal dinner gathering without talking to reporters.

Sources close to the talks, speaking after the two-and-a-half-hour morning session at the U.S. Embassy, said there was relief that North Korean negotiators conducted themselves in a very "businesslike" way, not engaging in rhetoric or reading from prepared texts.

North Korean Vice Foreign Minister Kim Kye-kwan was quoted as saying his country has been faithfully fulfilling its obligations under a landmark nuclear accord signed between the two countries in Geneva last October.

He said Pyongyang wants to confirm whether the U.S. has any intention of doing likewise.

U.S. delegation head Thomas Hubbard, deputy assistant secretary of state for East Asian and Pacific Affairs, was said to have stressed in response that the U.S. has lived up to the framework accord and will continue to do so as long as it remains in effect.

Under the accord, North Korea pledged to freeze and ultimately dismantle its existing graphite-moderated nuclear reactor program in return for the U.S. provision of light-water reactors and interim alternative energy supplies, namely hundreds of millions of dollars worth of heavy oil.

The senior officials' meeting in Kuala Lumpur was arranged by the two sides after the rupture of expert-level talks in Berlin last month over North Korea's refusal to consider receiving light-water reactors which originate from arch enemy South Korea.

The sources said North Korea reiterated that stand during the morning session of talks, without either side making any new proposal to break the stalemate.

But the sources said it was too early to tell what course the talks will take over the coming days.

They said a good sign was that the North Koreans did not break away from the primary agenda, namely the reactor question, to broach Pyongyang's proposal to replace the current Korean military armistice with a peace treaty.

After the morning session the two delegations had lunch together at an Indian restaurant in the city, followed by a tete-a-tete between Hubbard and Kim.

The second session of formal talks began in the late afternoon and lasted two hours.



The negotiations are expected to last several days, not including Sunday, and alternate between the two countries' embassies. The sources called them "open-ended."

Casting a dark cloud over the talks, North Korea has threatened to unfreeze its nuclear program if the U.S. continues insisting the light-water reactors be of South Korean make.

Washington, which has said it will seek sanctions against North Korea in the UN Security Council if Pyongyang unfreezes its nuclear program, insists there is no viable alternative as South Korea is picking up most of the tab for the 4 billion dollar project.

**Official Says Stance on ROK Reactors Unchanged**

*BK2305030095 Kuala Lumpur THE STAR in English 23 May 95 p 2*

[Report by Mergawati Zulfakar]

[FBIS Transcribed Text] Kuala Lumpur — The second day of the nuclear talks yesterday between the United States and North Korea ended with both sides reportedly refusing to budge on the light-water reactors issue.

Pyongyang's chief negotiator to the talks, Vice-Foreign Minister Kim Kye-Kwan, said after a six-hour meeting that the working level group would discuss the issue today.

The working level meeting at the US Embassy would not include the chief negotiators who would only join the talks later.

An official said North Korea would not accept South Korea's light-water reactors as "we do not know what South Korean reactors are all about."

"Our position has not changed," said an official in an apparent reference to the Berlin talks which collapsed last month after North Korea refused to accept South Korean reactors offered by the United States.

The second round of talks here began at 10am at the North Korean Embassy. The previous one was held at the US Embassy last Saturday.

The US delegation is headed by the Deputy Assistant Secretary for East Asian and Pacific Affairs, Thomas Hubbard, while Kim led the North Korean team.

At the end of yesterday's talks, Kim said the talks had so far continued to review important aspects of the agreed framework especially on the light-water reactors.

The proposed light-water reactors are to replace Pyongyang's graphite-moderated nuclear reactors which are capable of producing plutonium for nuclear bombs.

Under the Geneva agreed framework achieved last October, Pyongyang is committed to freezing and eventually dismantling its nuclear plan.

Meanwhile, Hubbard met Japan's Deputy Director General for Asian Affairs, Yukio Takeuchi, and Minister in the South Korean Embassy in Washington, Chang Chae-yong, at the US Embassy here before the start of talks yesterday.

**Paper on Seoul's Stance on ROK-Style Reactors**

*SK2305044695 Pyongyang KCNA in English 0442 GMT 23 May 95*

["Drubbing Fit for Him" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 23 (KCNA) — The South Korean ruling quarters with the colonial subcontract economy imported from outside are now talking about "standard-model atomic reactors" and "principal role". Commenting on this, NODONG SINMUN today says it looks funny.

The analyst goes on:

The gas explosion at a metro construction site in Taegu, South Korea, leaving hundreds of people dead or wounded, caused by a wrong gas pipeline project, reflects the fragility of the South Korean economy.

The Kim Yong-sam group is going to poke its nose into anything with advertisement about "standard" and the like. Questioning where he will export misfortune and disaster, the analyst continues:

It must not go unnoticed that the Kim Yong-sam group is, no doubt, making such absurd remarks for the purpose of laying obstacles to the implementation of the DPRK-U.S. framework agreement and aggravating the situation to stifle the fellow countrymen.

Judging from the fact that he is in a frenzy to do harm to the fellow countrymen under the veil of the Korean nation, he has been mentally deranged. Drubbing is fit for him.

**Paper Criticizes ROK for Remarks on Reactors**

*SK2305102095 Pyongyang KCNA in English 1002 GMT 23 May 95*

["It Is None of Their Business" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 23 (KCNA) — MINJU CHOSON today criticises the Kim Yong-sam group for making a noise about "principal role" with the DPRK-U.S. talks on the provision of light water reactors as an occasion.

The analyst says:



The breakdown of the Songsu Bridge in Seoul last year shows that South Korea is incapable of building even an ordinary concrete structure. Although the South Korean puppets offer to do something about light water reactors, which need a most solid concrete structure, this reminds one of a new-born baby trying to bite meat off the bone.

If they had had a sense of shame, they would not have tried to squeeze into the issue of light water reactors, freely talking about "principal role" and the like.

The Kim Yong-sam group would be well advised to keep mum rather than invite scorn from the people of the world for their foolish jargon.

#### **Daily Says ROK Incapable of Building Reactor**

*SK2305030995 Pyongyang Korean Central  
Broadcasting Network in Korean  
1222 GMT 22 May 95*

[NODONG SINMUN 22 May commentary: "An Empty Cart Makes Greater Noise"]

[FBIS Translated Text] The South Korean puppets are habitually making impudent remarks these days about the so-called standard-model reactor and its principal role.

However, such self-conceited remarks not only cannot command any consensus either in South Korea or internationally but are an object of scorn, contempt, and rejection. This is quite natural.

Generally speaking, the construction of an atomic power plant requires utmost safety, perfection, and precision in building operation as well as in design and the production of facilities. It also relies on the most solid and firm concrete structures.

In South Korea, however, such easy projects as building concrete structures is not done properly, causing one after another accident which has a heavy toll on lives.

Among the instances of this was the fall of the Songsu Bridge on the Han River that occurred in Seoul on 21 October 1994. As is well known, when numerous people and vehicles were hurrying busily on the Songsu Bridge on the morning of that day, some 50 meters of the upper span of the bridge fell abruptly into the deep water of the river, resulting in a disastrous accident of heavy casualties.

The accident was so serious and ghastly that the South Korean Christian Broadcast deplored it by noting that the whole society had fallen into a whirlpool of indignation, shock, and horror.

Besides the Songsu Bridge, a series of large bridges, such as the Palttang Bridge, the Changson Bridge, and

the Sinhaengju Bridge, fell in South Korea, causing heavy casualties.

A bridge made of concrete should normally last one generation without needing repaired. There are many bridges in the world that are used without accidents, for hundreds of years after completion.

In comparison, the Songsu Bridge in Seoul which was built not many years ago, would not have collapsed if proper materials had been used and the quality of the building operation had been of a proper level.

Then what is to be surmised from the fact that South Korean bridges fall some 20 years after construction, while bridges built by others remain free of problems for hundreds of years? In short, this reveals that South Korea has no technology or ability to build even such an elementary concrete structure as a bridge properly.

It is not a coincidence that the South Korean magazine *ECONOMIST* wrote that South Korea is weak in all aspects, including economic management and technology; and the U.S. newspaper *NEW YORK TIMES* also wrote that people's distrust and resentment against the South Korean Government is growing due to the repeated large-scale accidents. The fact that the South Korean constructors do not want to live in the houses they built or cross the bridges they laid in fear of accidents, proves the poor quality of the concrete structures in South Korea.

Despite these facts, the Kim Yong-sam ring acts brazen-facedly as if it had any power and indulges in bravado and bluster, just like someone who let out a dragon's burp after eating mudfish soup. Moreover, the puppets failed to properly build concrete structures, which others could do without much difficulty, due to the lack of technology and ability. They created large-scale accidents, such as the collapse of Songsu Bridge, and put themselves to shame. It is preposterous for them to talk about standard-model atomic reactors and its central role, which would cause even a cow to laugh and burst its muzzle. Metaphorically, their speech and acts are as absurd as a toothless baby trying to eat meat off a rib. An empty cart makes greater noise.

To quote South Korean publications, the South Korean economy is a colonial subcontract economy, debt-ridden economy, soap-bubble economy, and congenital crippled economy, whose technology, material, and fund are all from others, and which has only air and water of its own. Illiterates in politics and economics with trifling minds and full of the devil inside, only such ugly colonial stooges as those of the Kim Yong-sam ring can be so dull as to brag about providing something and playing a central role with such an economy.



The Kim Yong-sam ring's efforts to conceal with ghost advertisements about the catastrophe of the colonial economy and to lay obstacles to the implementation of the DPRK-U.S. agreed framework are futile. The reality in South Korea, which has become an international accident zone and a human hell where no one can live, is too tragic for it to mislead domestic and international public opinion with bragging. The Kim Yong-sam ring should not advertise falsely and recklessly nose around, but admit its ageless crime of destroying politics, economy, culture, and everything else in South Korea, and submit itself to the trial of history.

**ROK Commits 'War Exercise' in DMZ 22 May**

SK2305103595 *Pyongyang KCNA in English*  
1027 GMT 23 May 95

[FBIS Transcribed Text] Pyongyang, May 23 (KCNA) — The South Korean puppets on May 22 brought a 90 mm recoilless gun and more than 170 armed bandits into the Demilitarized Zone in the western sector of the front, who staged a long-time war exercise against the North together with bandits already positioned at the military police post there, military sources said.

If the South Korean puppets persist in inciting confrontation and division between the North and the South, going against the trend of the times, they will face a stern punishment by the Korean people as well as the world peace-loving people.

**Paper Urges ROK People To Overthrow Regime**

SK2305103295 *Pyongyang KCNA in English*  
1017 GMT 23 May 95

["South Korean People Called To Turn Out in Struggle To Build Independent Democratic Government" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 23 (KCNA) — The workers, peasants, students, intellectuals and other people from all walks of life in South Korea should overthrow the traitor Kim Yong-sam's "regime" and build an independent democratic government aspiring after reunification, holding higher the banner of independence, democracy and reunification.

NODONG SINMUN today stresses this in an article under the title "Victory Rests With South Korean People Who Fight in Firm Unity".

The article recalls that the calls of the Central Committee of the Workers' Party of Korea on the 50th anniversary of its foundation stressed the key to the breakthrough in national reunification is in the hands of the workers, peasants, students and intellectuals in South Korea who are fighting against the partitionist forces.

The article continues:

The students and people of different strata in South Korea should shatter every criminal scheme of the South Korean ruling quarters seeking treacheries, fascism and division, under the uplifted banner of independence, democracy and reunification.

The patriotic reunification movement organisations, democratic forces and people of all segments in South Korea should firmly unite as one under the banner of independence, democracy and reunification and strengthen solidarity and unity in the struggle for their realisation and launch a joint struggle. All the patriotic democratic organisations in South Korea should check and frustrate, with concerted efforts, the criminal moves of the Kim Yong-sam group to build one-man, one-party dictatorial system and prolong power through the "local autonomy elections", and thus lay the foundation for a true independent and democratic government. At the same time, they should wage a more powerful movement for national reunification including the struggle to greet the 50th anniversary of the national liberation with a grand reunification festival common to the nation in which compatriots in the North, the South and overseas will take part together.

**Reunification Festival 'Emergency' Meeting Held**

SK2005105495 *Pyongyang KCNA in English*  
1047 GMT 20 May 95

[FBIS Transcribed Text] Pyongyang, May 20 (KCNA) — The North side Preparatory Committee of the Grand National Reunification Festival marking the 50th anniversary of national liberation held an emergency meeting here today.

It was attended by Kim Yong-sun, chairman of the Reunification Policy Committee of the Supreme People's Assembly of the DPRK and chairman of the North side Preparatory Committee of the festival, and vice-chairmen, members and officials of the Preparatory Committee.

The meeting discussed measures against the recent decision of the Kim Yong-sam group to ban the Panmunjom joint rally and other reunification functions marking the 50th anniversary of national liberation.

Kim Yong-sun made a report, to be followed by speeches at the meeting.

The reporter and speakers described the August 15 Grand Reunification Festival as the nation's common jubilee, which is put on the order of the day after it was proposed by political parties and organisations of the DPRK reflecting the earnest desire of the nation



to promote national reconciliation and unity and make a breakthrough in the efforts for reunification in the 1990s this year marking the 50th anniversary of national liberation as well as national division, and it was actively supported by reunification movement organizations, cultural and religious organizations and persons in South Korea and overseas.

The South Korean authorities took the fascist measure at a time when preparatory committees for the reunification festival were formed and its preparations are underway in the North, the South and abroad. This is an unjustifiable crime against the nation and reunification, they said.

The meeting adopted measures to resolutely smash the criminal scheme of the South Korean authorities and successfully hold the Grand Reunification Festival common to the nation around August 15.

This was described at the meeting as a noble and responsible work to fulfill the behests of the great leader President Kim Il-song, the father of the nation and the lodestar of national reunification.

The meeting expressed the conviction that all pro-reunification patriotic forces in the North, the South and overseas will firmly unite under the banner of great national unity and conduct a powerful nationwide struggle to smash the obstructive schemings of the partitionist forces so as to grandly hold a national reunification festival in celebration of the 50th anniversary of the country's liberation in conformity with the expectation and desire of all the fellow countrymen.

It adopted an appeal to the South Korean people and Koreans overseas.

The appeal says that any good will and national conscience can no longer be expected from the South Korean authorities who are trying to block the Grand Reunification Festival, and calls upon the South Korean people to hold in check the vicious schemings of the "civilian"-veiled fascists through a struggle and open up a broad avenue to the Grand Reunification Festival through it.

It calls upon the South Korean people to get the "National Security Law" scrapped, a law which negates national reconciliation and unity and reunification, and to unite transcending the differences in ism, be they workers, peasants, students, intellectuals or religionists and to remove the checkbar lying in the way of the grand reunification festival with their concerted efforts.

And the appeal calls for overthrowing the Kim Yong-sam group and bringing about a bright future of a

reunified country through the struggle to hold the Grand National Reunification Festival.

It calls upon overseas Koreans to sharpen their vigilance against the manoeuvrings of the anti-reunification forces to split and alienate Koreans overseas and make an active contribution to the holding of the Grand Reunification Festival in a firm unity.

#### **Struggle Urged Against Antireunification Force**

*SK2205110495 Pyongyang KCNA in English  
1032 GMT 22 May 95*

**["Manoeuvres of Anti-Reunification Force for Division Should Be Checked and Foiled" — KCNA headline]**

[FBIS Transcribed Text] Pyongyang, May 22 (KCNA) — An article of NODONG SINMUN today appeals to the entire Korean nation to turn out in the struggle to decisively check and frustrate the separatist acts of the anti-reunification force under the banner of the great unity of the whole nation in hearty response to the calls of the Central Committee of the Workers' Party of Korea [WPK] on the 50th anniversary of its foundation.

The article says that the Kim Yong-sam group are denying the principle of reunification for national independence, depending on foreign forces, begging for permanent U.S. military presence in South Korea, frequently staging large military exercises against the North of Korea with them and asking for "international cooperation" for stifling fellow countrymen.

The article goes on to say:

It is also the Kim Yong-sam group that oppose the great unity of the whole nation, the prerequisite for national reunification.

They are suppressing any moves for national reconciliation and unity without discrimination, invoking the fascist laws such as the "National Security Law" which defines the fellow countrymen as "enemy".

Those who visited the North of Korea, met or had telephone contact with fellow countrymen in the North are harshly suppressed even though their act is beneficial to national unity and reunification.

These days the puppets are making frantic efforts to bar the successful opening of the grand festival of national reunification celebrating the 50th anniversary of the liberation of the country which is being promoted by political parties, organizations and figures of all strata in the North, South and overseas. The puppets are intending to block not only joint functions of the North and South for reunification to be held around August



15 but also any moves related to reunification in South Korea.

The facts clearly show that reunification of the country and nation can not be achieved unless the acts of the Kim Yong-sam group against the reunification are checked and foiled.

The entire Korean nation in the North, South and overseas should more vigorously struggle to block and frustrate the separatist moves of the anti-reunification forces in response to the calls of the WPK Central Committee on the 50th anniversary of its foundation.

#### **Different Social Systems in North, South Viewed**

*SK2205213695 Pyongyang KCNA in English  
1520 GMT 22 May 95*

[FBIS Transcribed Text] Pyongyang, May 22 (KCNA) — Different social systems existing in the North and South of Korea are daily giving rise to diametrically different events in the same land.

What happened on April 28 is a typical instance of this.

That day the Pyongyang International Sports and Cultural Festival for Peace opened with a large attendance in Pyongyang, the capital of the Democratic People's Republic of Korea.

The 150,000-seat May Day Stadium in the scenic Nungna Islet with overflowing with the desire and aspirations of the peoples to closely unite with each other and ensure a durable peace in the Korean peninsula, Asia and the rest of the world in conformity with the idea of independence, peace and friendship.

The people were fascinated by welcome scenes — the melodies of the festival waltz rocking the sky and land, the performance of the brass band of men and women, taborers dance and sword dance, entrance of pro-wrestling stars and artistes into the stadium, fragrant bouquets given to them by children and silver white confetti flying in the air.

The festival was the first of its kind in the history of pro-wrestling matches.

At the festival overflowing with the emotional feelings and cheers Kanji Inoki, leader of the Japan Sports Peace Party, member of the House of Councillors and president of the New Japan Pro-Wrestling Company, said that it is a great pride, joy and honor for pro-wrestlers, artistes and sports fans to have a worldwide sports and cultural festival in Pyongyang, the capital of beautiful Korea which is called the land of morning calm.

The festival was a result of a firm decision and solicitude of His Excellency Kim Chong-il, the supreme leader of

the Korean people, and an admirable privilege and a special favour showed by him for them, he said.

More than 10,000 foreigners and tourists witnessed at first hand the fact that the Korean people are blessed with illustrious leaders generation after generation with the greatest pride and honor of being the Kim Il-song nation, and were struck with admiration at the happiness of the Korean people, saying that seeing is believing.

On the same day, a gas explosion took place in a subway construction site in Taegu, South Korea, leaving more than 300 people dead or wounded in a moment.

Scores of blocks of buildings and more than 80 vehicles were destroyed.

Electric and telephone lines were cut off and people were crying over the disasters.

The accident is a part of the casualties caused by the social evils and disorder under the Kim Yong-sam "civilian government."

Political and public circles of South Korea lamented that this was not a natural calamity but man-made one and a typical instance showing the difficulties facing the present "regime."

The South Korean people say with surging indignation that as long as the Kim Yong-sam group, which commits treacheries for its comfort and maintenance of power remains in "Chongwadae [presidential offices]", disasters and misfortunes will continue to occur one after another.

#### **Educational Aid Fund, Stipends Sent to Chongnyon**

*SK2305124895 Pyongyang KCNA in English  
1011 GMT 23 May 95*

[FBIS Transcribed Text] Pyongyang, May 23 (KCNA) — Forty years have passed since the General Association of Korean Residents in Japan (Chongnyon), an organisation of overseas citizens of the Democratic People's Republic of Korea, was formed on May 25, 1955.

Democratic national education holds an important place in the patriotic work of Chongnyon.

The warm fatherly love of the respected leader President Kim Il-song and the great leader Comrade Kim Chong-il who have led Chongnyon along a true road of patriotism is associated with the educational aid fund and stipends for the sons and daughters of Korean residents in Japan.

The 131 instalments of educational aid fund and stipends remitted by President Kim Il-song and Comrade Kim Chong-il up to date amount to 42,396,682,433 yen in Japanese currency.



The first instalment of the educational aid fund and stipends was sent in 1957 when the postwar rehabilitation and reconstruction was at its height in the homeland.

The country's economy was in difficult condition at that time, a few years after the end of the fatherland liberation war (1950- 1953).

At a cabinet meeting which discussed the state budget for 1957, President Kim Il-song warmly said to the effect: We should immediately send money needed for the education of the children of the Korean residents who are suffering in the alien land even though we cannot build one or two factories. This is our national obligation.

Noting that the national education of Korean residents in Japan was an important patriotic work for defending the nation, he said that an item "educational aid fund and stipends for children of Korean residents in Japan" should be included in the state budget and it should be implemented as a permanent task.

As a result, the first instalment of the educational aid fund and stipends of 121,099,086 yen in Japanese currency was sent in April 1957.

Afterwards, President Kim Il-song sent a colossal amount of educational aid fund and stipends to the children of Korean residents in Japan every year.

In addition, he sent teaching materials, apparatuses of scientific experiment, zoological and botanical specimens, national musical instruments and others needed for the educational work of Chongnyon.

With the educational aid fund from the homeland, a new building of Korean University made its appearance in June 1959 and schools were erected in places where Koreans lived.

Today, the children of Korean residents in Japan are studying the history and culture of Korea and advanced science and technology to their heart's content at more than 150 schools at all levels ranging from kindergartens to primary, middle and high schools and the university.

Comrade Kim Chong-il continues sending the educational aid fund and stipends, true to the intention of President Kim Il-song.

The money he sent in September and December last year and February and April this year amounted to 383,690,000 yen in Japanese currency.

All the children of the Korean residents in Japan are growing up to be dependable undertakers who will contribute to the prosperity and development of their country and their homeland and national reunification

as intended by President Kim Il-song and Comrade Kim Chong-il.

### **Chongnyon on Kim Il-song's 'Immortal' Exploits**

*SK2205111495 Pyongyang KCNA in English  
1026 GMT 22 May 95*

[FBIS Transcribed Text] Pyongyang, May 22 (KCNA) — Han Tok-su, chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), issued an article to the press under the title "Immortal Leadership Exploits of the Great Leader Comrade Kim Il-song in Movement of Korean Residents in Japan" on the 40th anniversary of the formation of Chongnyon.

His article was carried by the May, 1995, issue of *Kunroja*, an organ of the Central Committee of the Workers' Party of Korea.

In the article, Han Tok-su wrote that Generalissimo Kim Il-song formed Chongnyon, a dignified overseas Koreans' organisation of the Democratic People's Republic of Korea, and wisely led it along the road of victory and glory.

The article read in part:

The greatest exploit performed by the respected leader Generalissimo Kim Il-song for the history of the movement of Koreans in Japan was that he provided an ideological and theoretical guideline which indicated the *chuche*-based road ahead of the movement of Koreans in Japan.

The great leader Marshal Kim Chong-il said:

"When the destinies of Korean residents in Japan were at the crossroad of life and death, the great leader Comrade Kim Il-song put forward the famous line of changing the movement of Korean residents in Japan into a national patriotic movement."

The movement of Koreans in Japan had to experience countless bitter failures and turns and twists at its initial stage because it failed to find a correct road.

Busy as he was with shouldering the heavy burden of the fatherland liberation war, Generalissimo Kim Il-song set forth the famous line of correcting the orientation of the movement of Koreans in Japan which was at stake at the beginning of 1953. His *chuche*-based line of the movement of Koreans in Japan profoundly explained that the Korean residents in Japan should fight not for the Japanese revolution but for the Korean revolution though they lived in Japan, and Japan-resident Koreans should launch a patriotic movement in reliance upon their internal forces.



With the chuche-based line put forward by the great leader, the movement of overseas compatriots in the era of chuche came to have its own revolutionary line and scientific strategy and tactics and the movement of Koreans in Japan found its new road in the chuche-based line.

Generalissimo Kim Il-song put forward the chuche-based line and, through its successful application in the movement of Korean residents in Japan, gave perfect answers to all the theoretical and practical questions of the movement of Koreans in Japan including its characteristics and main mission, the principles and leadership to be maintained in action. As a result, the movement of Koreans in Japan has been in possession of the most correct ideological and theoretical policies with which it could advance on the orbit of chuche without any slightest deviation.

Besides, Generalissimo Kim Il-song gave comprehensive answers to all the questions of the movement including the issue of building up its internal forces and the form and method of the movement.

By forming Chongnyon and wisely leading it to victory and glory, Generalissimo Kim Il-song set a brilliant example of the movement of overseas residents in the world. This is a precious feat made by him in the movement of Koreans in Japan.

He said that if the ideological and theoretical guideline of the movement of Koreans in Japan was to be implemented thoroughly, there should be its reliable undertaker, and set forth a policy of forming a new-type organisation of overseas compatriots which was fundamentally different from previous overseas Koreans' organisations. This new-type organisation meant an overseas Koreans' organisation of chuche type which remained loyal to the guidance of the leader, taking the immortal chuche idea as its sole guiding idea.

He wisely directed the struggle of the Korean residents in Japan to put into practice the policy of forming a new-type organisation of overseas Koreans and set up Chongnyon on May 25, 1955.

The formation of Chongnyon was a historical event which brought about a radical change in the movement of Koreans in Japan and in the shaping of the destinies of Japan-resident Koreans. With the formation of Chongnyon, the movement of Koreans in Japan was able to take the chuche idea as its sole guiding idea and achieve the ideological unity of its ranks on its basis and the Korean residents in Japan could have a revolutionary organisation of chuche type which truly defended their national dignity and democratic rights.

Generalissimo Kim Il-song strengthened and developed Chongnyon into a chuche-type organisation of overseas Koreans and guided the movement of Koreans in Japan to be a model of a true national and patriotic movement which contributes a lot of things to the revolution of their homeland, their nation and the revolution in their motherland.

Looking forward to the distant future of Chongnyon and Japan- resident Koreans, he successfully solved the question of inheriting the guidance of the leader and provided a solid foundation and firm guarantee for making a triumphant advance of the movement of Korean residents in Japan. This is the most distinguished contribution he made to the movement of Koreans in Japan.

Generalissimo Kim Il-song, who directed deepest attention to the future of the patriotic cause of chuche along with the Korean revolution to be carried out generation after generation, nominated with the most brilliant clairvoyance respected General Kim Chong-il as the great successor to the revolutionary cause of chuche, representing the unanimous desire of the people in the homeland and the Koreans abroad and reflecting the demand of the revolution. This nomination was a decisive guarantee for accomplishing the patriotic cause of chuche through generations.

The officials of Chongnyon and Koreans in Japan must strengthen and develop Chongnyon into a patriotic organisation of respected General Kim Chong-il and make a triumphant advance of the movement of Koreans in Japan, bearing deep in their mind their great fortune and honour of enjoying his leadership. By doing so, they must glorify through generations the great exploits of Comrade Kim Il-song in the movement of Koreans in Japan together with his august name.

#### **Daily Lauds Kim Chong-il's 'Classical' Work**

*SK2305142395 Pyongyang NODONG SINMUN  
in Korean 29 Apr 95 p 2*

[Article by Kim Song-kuk, responsible secretary of Kumya County Party Committee: "A Programmatic Classical Work That Has Effected a Turn in Party Guidance to the Work of Mass Organizations"]

[FBIS Translated Text] Our party is an invincible party which has taken deep roots among the masses and closely linked to the masses. Since its early days of leading the revolution and construction, our party has paid deep interests to mass organizations' work and constantly deepened party guidance to the work.

In terms of party leadership over mass organizations' work, the classical work, "On Strengthening Party Guid-



ance to Mass Organizations' Work," which the great leader [yongdoja] Comrade Kim Chong-il published on 30 April 1985, is of vital significance.

In the classical work the great leader Comrade Kim Chong-il extensively elucidated the principled problems arising in strengthening party guidance to mass organizations' work such as the problem of building mass organizations into militant organizations infinitely loyal to party leadership, the problem of leading mass organizations to correctly perform their mission, and the problem of enhancing mass organizations' self-reliance.

The great leader Comrade Kim Chong-il has indicated: "Strengthening party guidance to mass organizations' work is the important demands to strengthen the party and to firmly build the revolutionary ranks."

Mass organizations are the transmission belt which links the party and the masses, and the party's guidance to mass organizations' work occupies an important position in party leadership in the revolution and construction. Only when we strengthen party guidance to mass organizations' work can we consolidate the party's foundation among the masses, constantly increase the ranks of the party, and firmly build the ranks of the revolution by rallying the broad masses around the party.

Since his early days, the great leader Comrade Kim Chong-il has seen to it that party organizations at various levels constantly strengthen party guidance to mass organizations' work in conformity with the basic demands of the building and activities of mass organizations. In this course, the great leader Comrade Kim Chong-il has registered immortal achievements.

The past 10 years since the publication of the classical work is the proud 10 years during which party organizations at all levels, including county party committees, extraordinarily enhanced the function and role of mass organizations and firmly strengthened our party's foundation among the masses by deepening party guidance, that is, policy-oriented guidance, to mass organizations' work.

Recalling the past during which they have embodied the ideology reflected in the classical work our party functionaries, mass organizations' functionaries, and all the working people now firmly believe that when they work as elucidated by the great leader Comrade Kim Chong-il while firmly grasping the party's ideology and leadership as their lifeline they can bring about a new turn even in their struggle to improve and strengthen mass organizations' work as in the other sectors of the revolution and construction.

The great vitality of the classical work can be found in the fact that party organizations have strengthened party

guidance to mass organizations' work so as to lead mass organizations to become militant organizations which are infinitely loyal to the party leadership.

Mass organizations are political organizations organized by the party and move according to the intent of the party. Therefore, being infinitely loyal to party leadership is precisely the life and the first duty of mass organizations. Apart from safeguarding, defending the party, the general staff of the revolution, and firmly upholding party leadership with loyalty we cannot think of mass organizations' mission and role.

The great leader Comrade Kim Chong-il not only has wisely led party organizations so that they can firmly grasp the building of mass organizations into militant organizations which are infinitely loyal to party leadership as the basic task in their guidance to mass organizations' work, but has also clearly elucidated the principled problems arising in this. The clear evidence of this is the policies on firmly building the ranks of cadres and core elements of mass organizations, on properly carrying out the work with members of mass organizations, and on establishing a revolutionary discipline within mass organizations. As these policies presented by our party have been thoroughly embodied by party organizations, a revolutionary turn is being effected in mass organizations' work.

Today our mass organizations are unconditionally implementing the party's policy, taking it as their firm guideline. Our mass organizations are also solving problems arising in leagues' work only according to the party's intent. All mass organizations, including the General Federation of Trade Unions [GFTU], Socialist Working Youth League [LSWYK], and Agricultural Workers Union [AWU], are firmly united around the party as one mind; They breathe according to the party's ideology and will, they speak according to the party's voice, and they move as one according to the party's word of command. This is precisely today's appearance of mass organizations.

It is the pride of our party and the people to have militant mass organizations which firmly trust and follow our party and which uphold party leadership eternally with loyalty and filial piety under all circumstances. Herein lies a secret of the invincibility of our revolution.

The great vitality of the classical work which has become a guideline in the struggle to strengthen party guidance to the mass organizations' work also lies in preparing all league members to become genuine revolutionaries loyal to the party and the leader by implementing the ideological revolution policy of our party. The 10 years since the publication of the classical work were the days when party organizations at all levels



waged ideological indoctrination work more actively than ever before among league members through mass organizations.

Party organizations have constantly strengthened party guidance to mass organizations so that the mass organizations can wage ideological indoctrination work in a substantial manner among league members in conformity with the demands of the developing reality. As a result, various ideological indoctrination work — such as education in loyalty to the party and the leader, education in the revolutionary tradition, class education, education in socialist patriotism, education in the communist morality, education in collectivism, and education in the Korean-nation-best ideology — have been waged in all mass organizations, including the GFTU, the LSWYK, and the AWU. At the same time, the guidance to the organizational and ideological life of league members has been further strengthened. As an aftermath of these indoctrinations, a great change has been effected in the ideological features of league members.

All league members who are enrolled in various mass organizations, including LSWYK members and GFTU members, are now filled with the firm determination to staunchly traverse the long road of the revolution under the leadership of great Comrade Kim Chong-il, cherishing in their hearts a firm revolutionary view on the leader. They are finding the infinite worth of their lives from the devotion to the struggle for the party, for the revolution, for the fatherland, and for the people.

Numerous beautiful laudable deeds—such as voluntarily rushing to difficult and arduous sites of socialist construction in response to the call of the party and of becoming lifetime companions and blood parents for disabled veterans and orphans in response to the party's intent—are repeatedly flourishing among league members. This clearly proves that our league members' ideological and mental features have reached a lofty plane.

The great vitality of the classical work has been also clearly proven by the fact that party organizations have led mass organizations to vigorously wage the organizational and political work to inspire league members into socialist construction. In the course of the struggle to implement the classical work, various forms of mass movements, including propaganda and agitation work and technological innovation movements, have been waged among the broad working people. As a result, the revolutionary zeal of the broad working people has been extraordinarily enhanced, and a constant upsurge is being effected in production and construction.

Along with our party members' loyalty, the heroic exploits registered by the working people of all strata, including LSWYK members, dwell precisely in the

great monumental edifices of the era of the Workers' Party and the successes achieved in various sectors of the national economy. All victories and successes achieved in the construction of mass organizations, in other words, in firmly building the ranks of mass organizations, in fostering league members into genuine loyalists and dutiful sons, and in enhancing the self-reliance of mass organizations are indebted to the great leader Comrade Kim Chong-il who has wisely led party organizations of various levels, including county party committees, to constantly strengthen party guidance to mass organizations' work.

In the previous period, the party committee of Kumya County regarded as its guiding principle the party's ideology and intentions to intensify party guidance to the mass organizations' work, and waged a vigorous struggle to embody such an ideology and intentions. The days in such a period were the days during which all functionaries and workers in the county learn as their belief the justness and invincible vitality of the ideology and theory put forth by the above-mentioned work.

In the previous period, the county party committee concentrated much efforts on intensifying party guidance to the mass organizations' work. This was aimed at wonderfully building up the ranks of cadres at the mass organizations; putting forth a correct direction and method for the mass organizations' work; and fostering all workers in the county as genuine revolutionaries who are boundlessly loyal to the great leader Comrade Kim Chong-il. To this end, the county party committee brought all of its departments into action to lend active help and support to the mass organizations so that such mass organizations could wonderfully carry out their work with the masses in conformity with the party's intentions and the demands of the reality. Whenever league members in the county carried out the struggle for the party and the leader, for the fatherland and the people in a self-sacrificing manner, the county party committee helped actively carry out the work to generalize their examples. The ideological and spiritual traits of the workers in the county have come to change beyond recognition, as a result that under the guidance of the party organizations, the party's policy on the ideological revolution has been thoroughly accomplished and the work to foster all league members as revolutionaries—who have a thorough and revolutionary view of the leader and who have a firm conviction in socialism—has been carried out in a new and striking fashion. Over the past 10 years alone since the above-mentioned work was published, a great number of genuine loyalists, and dutiful sons and daughters, including Comrade Cho Myongsuk, an agitator — whom our party has put up and whom the whole country knows — have emerged; and laudable



communist conducts, such as the conducts of defending the portraits of the fatherly leader and the great Comrade Kim Chong-il in a death-defying way and of serving the society, groups, and comrades in a self-sacrificing manner, have been brought into bloom.

In the previous period, the county party committee also paid deep attention to helping the mass organizations bring league members into action so that such league members could successfully carry out the difficult tasks for the economic construction which had been assigned to the county. In recent years alone, we have boldly assigned relevant tasks to the functionaries at the mass organizations and have actively stirred up the revolutionary enthusiasm of the workers in the county, including the LSWYK members, thereby successfully completing the construction of the Yongsan reservoir for which we had to remove a vast amount of earth of 350,000 cubic meters and wonderfully building a salt pond on a tract of land of several tens of chongbo [one chongbo is equivalent to 2.451 acres]. And, over the past 10 years, we have built several thousands of housing units and a great number of public buildings in the seats of counties and rural villages; and have improved several tens of li-long rivers and streams and built new roads. Therefore, we have given a new appearance to the county in conformity with the fatherly leader's lifetime wishes. Reality shows that if the county party committee brings mass organizations into action and vigorously stirs up the revolutionary enthusiasm of the workers in conformity with the policy put forth by the above-mentioned work, it can easily accomplish any difficult tasks with the county's own efforts.

The classic work entitled "On Strengthening Party Guidance to Mass Organizations' Work" published by the great leader Comrade Kim Chong-il is a precious guiding principle which the party organizations at various levels, including the county party committee, should adhere to forever. One of the important keys to consolidating the single-hearted unity of our party and the revolutionary ranks in every way and to fully displaying the might and superiority of our-style socialism importantly lies in thoroughly accomplishing the party's policy on endlessly intensifying party guidance to the mass organizations.

We will continue to thoroughly embody the ideology and theory put forth by the above-mentioned work, thereby more firmly fortifying the party's mass foundation and effecting a new turn in the accomplishment of the revolutionary strategies of various kinds.

### **Papers Publish Articles Praising Chon In-chol**

*SK2005215595 Pyongyang KCNA in English  
1516 GMT 20 May 95*

["Fascinated By Traits of Great Man" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 20 (KCNA) — Papers here today devote nearly one whole page to a signed article with a heading "Fascinated by Traits of Great Man" on the review of the life of Chon In-chol, an ex-vice minister of foreign affairs.

The article says Chon In-chol, who was a talented diplomat and writer, was so enchanted by respected Comrade Kim Chong-il, a great leader and great man, that he adorned his whole life with loyalty, entrusting his destiny to him. Even when suffering from an incurable disease, Chon In-chol did his best to carry on external affairs, a task that was assigned to him by Comrade Kim Chong-il, it says, and continues:

Chon In-chol worked as a Korean diplomat over the past 30 years.

He worked as a councillor of the Foreign Ministry and its vice-minister from 1961 to the last moment of his life.

While engaging himself in chuche-based external activities as a senior diplomat he came to understand the truth that led by respected Comrade Kim Chong-il, anyone will always emerge victorious.

He was in charge of paper-work at the Foreign Ministry for a long time.

He was struck with admiration at the rare wisdom of Comrade Kim Chong-il each time Comrade Kim Chong-il told him about what he did not think of and each time Comrade Kim Chong-il added propositions to documents.

One day Comrade Kim Chong-il gave him an urgent task to draw up a draft for important papers. And he sent for him and told him how to write each sentence. He repeatedly examined the completed document, modified it and made clear the political core of the document with unique and significant propositions that are difficult for the experts to make.

Chon In-chol believed with cheers and admiration that respected Comrade Kim Chong-il was just like the great leader Comrade Kim Il-song in wisdom, personality, politics and art of leadership.

Comrade Kim Chong-il expressed deep trust in Chon. He repeatedly gave Chon the highest honor of assisting



Comrade Kim Il-song during his historic foreign tours and assigned him to important tasks of external affairs.

Comrade Kim Chong-il assigned him to head a DPRK delegation to the full-dressed talks for the normalisation of diplomatic relations between the DPRK and Japan in December 1990. Chon In-chol actively led the talks with strategy and grit given to him by the party. On his stance at the talks, the diplomatic and press circles of Japan were unanimous in saying that he was no common dialogue partner.

Comrade Kim Chong-il awarded him the Kim Il-song Order, the highest order of the DPRK, highly appreciating his feats. Later, Comrade Kim Chong-il took care that a sixtieth birthday table was sent to him and showed meticulous care for the livelihood of his children.

Chon In-chol was deeply moved by the loving care shown by Comrade Kim Chong-il for him and vowed to live as a bodyguard of Comrade Kim Chong-il.

Though he was suffering acute pains in the waist from an incurable disease from January 1992, Chon In-chol participated in the 6th round of talks for the normalisation of diplomatic relations between the DPRK and Japan. After he successfully concluded the talks, he informed Comrade Kim Chong-il of the results of the talks and he went to hospital.

Comrade Kim Chong-il sent a wreath to his bier and made sure that his coffin was placed in the Patriotic Martyrs Cemetery. Afterwards, he said with excited emotion that Vice-Minister Chon In-chol was a brilliant man, a man of ability and a talented official faithful to him.

The article says the life of Chon In-chol tells the truth that a great leader and his infinite and charming love for people give birth to the warmest and noblest loyalty of the soldiers to their leader, and that the great leader and his love bring the relations between the leader and his soldiers to closer relations of kinship on the highest plane.

**Daily Urges Implementation of WPK Slogans**  
*SK2205142295 Pyongyang NODONG SINMUN*  
*in Korean 2 May 95 p 1*

[Editorial: "The Entire Party, All the People, and the Entire Army Are Urged To Unanimously Rise Up To Implement the Party Central Committee's Slogans"]

[FBIS Translated Text] Now all the party members, working people, and People's Army officers and men are greatly excited about the party Central Committee's

slogans issued on the 50th anniversary of the founding of the Workers Party of Korea [WPK].

The party Central Committee's slogans have been released at an impressive time when the entire party, all the people, and the entire Army are vigorously struggling to enrich our country, our fatherland, firmly united around the great leader [yongdoja] Comrade Kim Chong-il after losing the fatherly leader. The slogans plainly reflect our people's unanimous aspiration and desire to consummate the chuche revolutionary cause, pioneered in the thick forest of Mt. Paektu, under the leadership of the great leader Comrade Kim Chong-il while upholding forever the fatherly leader, the founder of this most experienced and seasoned party of ours. This is why the slogans are inspiring the hearts of all the people throughout the country and are greatly enhancing their loyalty.

The slogans, which have embodied the great party's steadfast determination and iron-firm will, and which have been running with the spirit of the times and the revolutionary spirit, are banners that encourage the entire party, all the people, and the entire Army to carry out the general onward march to greet the 50th anniversary of the founding of the party with great political zeal and brilliant labor results, and to advance our revolution to a new and higher stage. The slogans clearly elucidate the significance of the 50th anniversary of the founding of the party and the militant tasks to strengthen the party and revolutionary ranks, accelerate the socialist construction, and vigorously quicken the fatherland's reunification and the popular masses' independence cause, based on the valuable heritage that the fatherly leader prepared by devoting his whole life, as well as methods to implement those tasks. It is a great honor for our people, who are creating an ever-victorious history under the leadership of the great Comrade Kim Chong-il, to be provided with goals, which give them faith and optimism, and with a brilliant blueprint at a time when unprecedentedly huge and responsible tasks are arising in the course of our revolutionary march.

The basic spirit running through the party Central Committee's slogans on the 50th anniversary of the founding of the WPK is to enrich our country, our fatherland built by the fatherly leader, and to consummate the chuche revolutionary cause to the last, under any stormy circumstances by strengthening and developing our party forever as Comrade Kim Il-song's party, faithfully upholding the leadership of the great Comrade Kim Chong-il, and by constantly enhancing the role of the party's leadership.

The WPK Central Committee's slogans note:



"The WPK Central Committee releases the party Central Committee's slogans on the occasion of the 50th anniversary of the founding of the party, firmly believing that all party members and working people will effect a new upsurge in the struggle to strengthen the party and accelerate the socialist construction, being deeply aware of the solemn demand of the times and the revolution."

Our party, founded by the great leader Comrade Kim Il-song, has walked along the proud road of victory and glory for the past 50 years and has accumulated immortal achievements for the times, the revolution, the fatherland, and the nation. The 50th anniversary of the founding of the party is a significant event that proudly demonstrates the glorious history and achievements of our party, as well as an important momentum for demonstrating all over the world the esteem and dignity of the WPK, which is confidently leading the popular masses' independence cause while upholding the ever-victorious party, seasoned and experienced in the storms of the revolution, and upholding the great leader Comrade Kim Chong-il at its top. With the party Central Committee's slogans, our people's struggling fight to greet the 50th anniversary of the founding of the party with great political zeal and brilliant labor results has amplified, and the whole country is seething with the flames of creation and innovation. The party's slogans have enabled our people to clearly understand the goals of their struggle and to renew their determination to implement the great leader's [yongdoja] intent without fail.

Accomplishing the party Central Committee's slogans serves as an honorable struggle to strengthen and develop our party into the party of Comrade Kim Il-song forever, and to consolidate the single-hearted unity of our revolutionary ranks, which are firmly united around the party, in every way.

Our party is the party founded and fostered by the great leader Comrade Kim Il-song, and the party struggling to achieve the ultimate victory of the leader's revolutionary ideology. Our party is the only revolutionary party, which has invariably defended only one ideology—the ideology of the leader who pioneered the cause for the party building—over the 50 years since its founding and over the nearly 70 years since it began taking its historical root. The road to strenuously inheriting the lineage of *chuche* and to achieving the decisive assurances of all victories of our people is to endlessly strengthen and develop our party into a *chuche*-type revolutionary party, which is continuously loyal to the leader and his cause today, tomorrow, and forever. When all party members and workers wage a vigorous struggle to accomplish the party Central Committee's slogans, the *chuche*-oriented characteristic

of our party will invariably be defended; and the immortal revolutionary achievements made by the great leader in all fields of revolution and construction, including party building, will give forth light for all generations to come.

The struggle to thoroughly accomplish the party Central Committee's slogans is a rewarding struggle to further enrich our country, our fatherland, and fully display the superiority of our-style socialism.

The socialist fatherland of *chuche*, which the great leader Comrade Kim Il-song regained and founded, is the ground for our people's living and the cradle of their happiness. To our people, nothing is more precious than the socialist fatherland of *chuche*; and the road to fulfilling their duties as the great leader's warriors, the great leader's disciples, is to vigorously work for the gracious fatherland.

Our party put forth the revolutionary slogans which are calling the entire party, all people, and the entire Army to a new struggle and exploits, on the basis of its firm determination to attain the grand goal of achieving the fatherland's prosperity without fail by thoroughly accomplishing the fatherly leader's last wishes. When we wage a vigorous struggle on all fronts of socialist construction while upholding the party's call, we can thoroughly accomplish the revolutionary economic strategy put forth by the party and turn our fatherland into a people's paradise, a better place in which to live.

Our party is a party which has fostered the great people and our people have historically been faithful to the party's calls. Whenever the party put forth revolutionary slogans and unfolded grandiose plans, our people brilliantly accomplished such slogans and plans by displaying the matchless, mass heroism and patriotic self-sacrificing spirit; and they embroidered the history of our fatherland with epoch-making miracles and exploits. We should display once again to the whole world the heroic spirit and indomitable will of our people who are vigorously marching forward with the might of single-hearted unity by more highly displaying such a traditional trait in the struggle to accomplish the latest slogans.

The party Central Committee's slogans are the banner of exploits and struggle, which the entire party, all the people, and the entire Army should uphold to brilliantly glorify the grand October festival, and such slogans are the guiding principles which they should adhere to in everyday work and life. To our people who are growing as genuine revolutionaries and who are enjoying endless honor and happiness in the bosom of the great party, nothing is more dignified and worthy than to accept



with their hearts the party's calls and devote all they have to the struggle to accomplish such slogans. All party members and workers should turn this year, in which the 50th anniversary of the party's founding and the 50th anniversary of the fatherland's liberation will be celebrated, into a year of hope and a year of fortune, by thoroughly accomplishing the party Central Committee's slogans with a new determination and resolve, with redoubled courage, and in high spirits, while keeping deep in their heart their blessing of having the leader, the blessing they are enjoying from generation to generation.

The great leader Comrade Kim Chong-il has taught: "All the lines and policies set forth by our party are permeated with warm love and care for our people, and contain our party's high expectation and trust that the people will embrace the party's lines and policies as their own and will unfailingly implement them."

We should deeply grasp and thoroughly implement the party's ideas and intentions contained in the revolutionary slogans.

The slogans of the party Central Committee are the voice of our party's conviction. It contains the great leader Comrade Kim Chong-il's iron-strong conviction and will to complete the *chuche*, socialist cause to the end and to achieve the endless prosperity and enrichment of the fatherland and the nation on the basis of the valuable heritage left by the leader [suryong] who devoted his entire life to this.

Through the slogans, we should feel the sagacity of the leadership of the great leader Comrade Kim Chong-il who brilliantly pioneers the road to socialist victory and who makes the entire country full of revolutionary zeal by setting forth the slogans that capture the hearts of 10 million popular masses at every period and stage of the revolution and construction. All the party members and working people should think and act in conformity with the demand of the slogans at all times and should deeply grasp the great leader Comrade Kim Chong-il's noble ideas and intentions contained in its every sentence and every paragraph by deeply studying the slogans of the party Central Committee. The slogans of the party Central Committee should not be accepted as an obligation but as a vital demand, and we should assume the stance of thoroughly implementing the slogans under whatever circumstances.

Highly upholding the leadership of the great leader Comrade Kim Chong-il is the most significant and glorious task among the struggles to implement the slogans of the party Central Committee.

The great leader Comrade Kim Chong-il, equipped with excellent ideas and leadership, is an iron-willed great commander, a great strategist, and a great politician who leads our party, our people, and the Armed Forces onto the one road of victory.

In order to uphold the great leader's behests and to complete the *chuche*, revolutionary cause to the end, we should be endlessly loyal to the respected and beloved leader Comrade Kim Chong-il's ideas and leadership.

Because all the party members, the people, and the officers and the men of the People's Army uphold the great leader, a bright future lies ahead of our fatherland and nation. We should deeply bear this in our minds and should resolutely safeguard Comrade Kim Chong-il politically and ideologically.

We should make the struggle to implement the slogans of the party Central Committee to be consistent with the work to thoroughly embody the great leader Comrade Kim Chong-il's ideas and leadership in all sectors of the revolution and construction and to further display the endless loyalty toward Comrade Kim Chong-il.

Especially, our party led by the great leader Comrade Kim Chong-il should be further strengthened and developed.

Bringing about a new turn in the construction and activities of our party on the occasion of the 50th anniversary of the foundation of the party is the noblest mission of our party members who have tasted the sweet and bitter of life together with our party on the arduous road to revolution. We should firmly prepare the party members as true *chuche*-type revolutionaries and carry out the construction and activities of the party in conformity with the demand of the *chuche* idea by further deepening and developing the struggle to imbue the entire party with the *chuche* idea.

Thereupon, we should fill up the entire party with the *chuche* idea and revolutionary tradition set forth by the great leader Comrade Kim Il-song and should glorify our party as Comrade Kim Il-song's party that leads the revolution and construction according to the leader's way.

Our single-hearted unity in one mind and one will around the party and the leader is the banner of our ever-victorious revolution.

We should make the struggle to implement the party Central Committee's slogans the course of defending and protecting the absolute authority of great Comrade Kim Chong-il and the course of strengthening in every way our single-hearted unity, the firm unity of the entire party, all the people, and the entire Army around



him in ideology, will, morals, and sense of duty. All the party members, working people, and the People's Army officers and men should always bear the fatherly leader's behest deep in their hearts and should firmly unite themselves around the great Comrade Kim Chong-il.

We should arm ourselves with our party's idea of single-hearted unity and focus all our thoughts and practice on implementing the great leader's [yongdoja] ideas and intent. In particular, we should push ahead with all projects to meaningfully greet the 50th anniversary of the founding of the party at the highest level, so as to fully demonstrate the stout trait of our people, who live with the idea of single-hearted unity and advance with the spirit of single-hearted unity.

The struggle to implement the party Central Committee's slogans is all people's general onward march to enrich our country, our fatherland. There are a number of tasks we should implement now when we are constructing socialism while overcoming the manifold hardships. We should effect a new turnabout in all fields of socialist construction and should particularly adhere to the party's revolutionary economic strategies.

To implement the revolutionary economic strategies is our party's steadfast determination and an important idea reflected by the party's slogans. When we thoroughly implement the revolutionary economic strategies while upholding the party's intent, the country's might can remarkably be strengthened and our people's age-long desire to enjoy more abundant and civilized lives can brilliantly be realized.

Upholding the revolutionary banner of self-reliance, all the party members and working people should overcome difficulties by using ingenuity, finding the necessary things to make up for any deficiency, and fulfilling the daily tasks without fail. All sectors of the national economy should implement the great leader's behest, closely linking it with the implementation of tasks assigned to each sector and unit, and should thoroughly and unconditionally implement their tasks assigned by the party through vigorously carrying out the battle of loyalty to effect upsurges in production. By doing so, all the party members and working people should undauntedly greet the 50th anniversary of the founding of the party with pride and dignity in preparing precious labor gifts bearing their wisdom, ardor, and valuable sweat.

Self-defensive, national defense ability is a military assurance for resolutely protecting, defending, and consummating our socialism.

All the People's Army officers and men should thoroughly implement the Army-building idea of the respected and beloved comrade supreme commander so as to constantly strengthen and develop our Army as the Army of the leader, the Army of the party, and the Army of the revolution, and as a matchless strong Army capable of defeating any strong enemy. All the party members and working people should firmly arm themselves with our party's chuche-based viewpoint of war, establish the trait of valuing the military in the entire society, and fully advance the noble traditional virtue of Army-people unity.

In order to thoroughly implement the party Central Committee's slogans, it is important for the entire party, all the people, and the entire Army to unanimously rise up. In particular, party members, who are vanguard fighters of the revolution, should stand at the front.

Being deeply aware of their heavy responsibility in today's general onward march, all the party members should excellently fulfill their roles as vanguards and vigorously arouse the masses in a way of moving 10 people by one person, 100 people by 10, and 1,000 by 100.

When all our party members, as vanguards and pioneers who do not forget even for a moment the pledge they made when they entered the party, find a way for advancement at all work sites, the whole country will be filled with innovative traits and every task can successfully be implemented, no matter how huge it is.

The success of today's onward march to greet the 50th anniversary of the founding of the party with a great victors' festival greatly depends upon the functionaries. Now is the time for our functionaries to work hard, doing their best with the greater-than-ever ideological resolution and an extraordinary determination.

Functionaries at all sectors and units should keep running with unlimited energy and passion for work and lead the masses by setting practical examples, always remembering the party's confidence and expectations. Our functionaries should firmly keep the revolutionary sentry posts entrusted by the party with practical results, rather than verbal expressions, and should vigorously carry out political work to actively arouse the masses to struggle to implement the slogans. There will be no difficulty that our functionaries cannot overcome and no stronghold that they cannot occupy if all of them faithfully uphold the party's idea and its leadership as genuine revolutionary fighters and Kim Chaek-type functionaries who implement whatever the great leader Comrade Kim Chong-il intends to do, without fail, by going through even fire and water.



In order to thoroughly implement the party Central Committee's slogans, it is important to enhance the party organizations' role.

Now, great is the revolutionary zeal of our party members and working people who received the party's slogans. Various party organizations should assume a propaganda and agitation offensive to make all the party members and working people's hearts be filled with the spirit of the slogans and instigate the flames of innovation at plants, enterprises, cooperative farms, and construction sites all over the country. Party organizations should brazenly carry out organizational and political work in various ways to make party members and working people deeply aware of the significance of the slogans and the party's intent presented in the slogans, so that they can lead all of them to take the initiative in implementing the party's slogans.

Reunification of the fatherland is the party's greatest mission and a pressing and supreme national task that cannot be delayed any further.

We should stoutly struggle to expedite the fatherland's reunification, upholding the reunification cause of the great leader, the father of the nation. All compatriots in the North, the South, and overseas should firmly unite under the banner of the 10-point program of the great unity of the entire nation, and thereby should sternly smash the divisionists' maneuvers and brilliantly embellish this year as the year of opening a way to reunification in the nineties after demolishing the wall of division.

Independence, peace, and friendship are invariable ideas of our party and the Republic Government's external policies. As presented in the party Central Committee's slogans, our people will actively struggle to make the international community independent and democratize it, and thus build a new, liberal, peaceful, and friendly world without subjugation and subordination, upholding the banner of independence, peace, and friendship.

Though we are faced with huge tasks today, we have a firm guarantee for the ever-victorious future.

As long as we have the unshakable ground prepared by the great leader Comrade Kim Il-song and the seasoned leadership of respected and beloved Comrade Kim Chong-il, who is constantly consolidating and developing the ground, we have nothing to be afraid of and will always achieve certain victories.

Let us all vigorously struggle, loudly sounding the drum of the revolution, so as to meaningfully greet the 50th anniversary of the founding of the WPK with a great victors' festival!

## South Korea

**Objection to U.S.-North General-Level Meeting**  
*SK2305093095 Seoul CHOSON ILBO in Korean*  
23 May 95 p 3

[Editorial: "Agreeing To Incapacitate the MAC?"]

[FBIS Translated Text] Can the armistice system be maintained by establishing a general-level communications channel with North Korea, which is trying to disband the Military Armistice Commission [MAC]? Even though the United States is stressing that the general-level meeting will be held within the framework of the MAC, it is not persuasive because the meeting will be obviously based on the premise that the MAC is incapacitated. The United States would only be manipulated by North Korea's strategy and eventually accept North Korea's demands.

While the MAC is not functioning, it is clearly of grave concern that North Korea is committing provocations in the DMZ. Any accidental conflict would be dragged into a serious situation. It is true that a preventive device for such accidental incidents is needed.

However, a fair resolution cannot be derived if the United States first accepts North Korea's demands in approaching the issue. North Korea's objective in incapacitating the MAC is obvious. The strategy is to restrict the issues concerning the Korean peninsula to the United States and North Korea, thereby exclude the ROK, then, make the United States withdraw its forces from the ROK by signing a peace agreement, and finally communize South Korea.

Nevertheless, the United States proposed a general-level meeting, which North Korea had proposed first, in defiance of the ROK's objection. This is incomprehensible. In the new international order of the post-Cold War era, the United States may have to deal with not only the ROK but also North Korea. The situation, however, is not so serious that the United States has to make light of relations with the ROK and concentrate on relations with North Korea.

The ROK and the United States are not the only ones to be threatened by the grave situation that may be caused by North Korea's violation of the Armistice Agreement. Such a contingency threatens North Korea even more because North Korea is in a serious economic crisis with little hope of receiving aid from the PRC and Russia. In case of the collapse of the truce line, the collapse of the Kim Chong-il regime is likely to follow.

The North-South issue is drifting away from the new order of the post-Cold War era and falling into a



deeper confusion because the United States has shown a receptive attitude whenever North Korea pressed hard, not considering North Korea's strategy and position. The United States should seek a principle in the new order regarding the MAC as well. The United States would be able to come to a practical resolution if it establishes a principle that the issues concerning the Korean peninsula should be resolved by the parties concerned — North Korea and South Korea. The basic agreement between the North and the South is already in effect. Prior to accepting North Korea's unreasonable demands, the United States should urge North Korea to implement the existing agreements. The United States should also be prepared to take corresponding measures when North Korea refuses to comply with the agreements.

#### **U.S. Firm Reportedly Intervened in Reactor Talks**

*SK2305090195 Seoul CHOSON ILBO in Korean  
23 May 95 p 1*

[By reporter Kim Hyon-ho]

[FBIS Translated Text] It is shocking to us that concrete proof has been revealed regarding the fact that Combustion Engineering (ABB-CE), the U.S. company manufacturing light-water reactors [LWR's], has intervened in the U.S.-DPRK light-water reactor negotiations by attempting to provide North Korea with its own product, not the ROK-model light-water reactor.

The ABB-CE drew up a document entitled "Comparison Base" comparing the performance and safety of its own product with the ROK-model light-water reactor. It was learned that this document was delivered to North Korea at the second round of U.S.-DPRK expert-level talks on light-water reactor held in Berlin in late January.

In this document, while selecting items for comparison, the ABB-CE highlighted to the utmost the merits of the "System 80+" light-water reactor, which it is designing, while on the other hand, the strong points of the ROK standard model, the "Ulchin Numbers 3 and 4 reactors," were ignored. Its intention to lure North Korea to select its company's product is clearly revealed.

Moreover, although the performance, safety, and possibility of being built have not been proven yet as the design of the "System 80+" is currently under way, this document made comparisons with an atomic reactor which is already under operation. On the other hand, regarding the "Ulchin Numbers 3 and 4 reactors," its system name (NSSS) was named "System 80." Thus, there are traces of efforts to give the impression that the ROK-model light-water reactor does not exist at all.

A government official said: After obtaining this document, the North Korean side is requesting that the ABB-CE's "System 80+" be provided, and is claiming that the ROK-model is not only unsafe but bogus. This is unfounded.

#### **U.S., DPRK Hold Technical-Level Meeting**

*SK2305081095 Seoul YONHAP in English  
0752 GMT 23 May 95*

[FBIS Transcribed Text] Kuala Lumpur, May 23 (YONHAP) — The United States and North Korea Tuesday held a technical-level meeting discussing issues surrounding the light-water reactor project in an effort to eliminate the differences regarding their understanding of the Korean-standard nuclear reactors which the North has persistently refused to accept.

During the meeting between representatives Gary Samore, deputy director for nonproliferation of the U.S. State Department, and Yi Yong-ho, deputy director general for nonproliferation of North Korea's Foreign Ministry, the two sides met to deal with technical issues concerning South Korean standard nuclear reactors, according to sources associated with the nuclear talks.

The full delegation meeting led by Thomas Hubbard, deputy assistant secretary of state for East Asia and the Pacific, and Vice Foreign Minister Kim Kye-kwan of North Korea, will resume Wednesday for the third day of senior officials' meetings on the light-water nuclear reactor issue, they said.

The technical-level meeting was held in the afternoon as the North Korean delegation notified their U.S. counterparts early in the morning that they were not prepared for the talks, the sources said.

The two sides agreed to hold a technical-level meeting for effective exchanges of opinions as they failed to produce an agreement after two days of discussions on technical issues concerning the Korean standard nuclear plants, they said.

"The technical-level meeting will also give each delegation the time to consult with each other's capitals for further negotiations while renewing the atmosphere of the talks," the source said.

During the second day of talks held Monday, the North said that it cannot accept South Korean standard nuclear power plants for reasons of a 'domestic situation' while the U.S. explained the concept of the Korean-made reactor and the central role of South Korea in the light-water reactor project, the source said.

In a brief statement released just prior to the start of the technical-level meeting, the U.S. delegation said that



Monday's talks were focused on the issues surrounding the light-water reactor project and that the atmosphere was frank and businesslike.

The statement, however, said that the United States did not want to elaborate on the content of diplomatic exchanges.

#### **Talks Called Working-Level Ones**

*SK2305093895 Seoul KBS-1 Radio Network  
in Korean 0904 GMT 23 May 95*

[FBIS Translated Text] The United States and North Korea, which are holding negotiations in Kuala Lumpur to resolve the issue of supplying light-water reactors to North Korea, held working-level talks today to narrow differences in opinion.

The U.S.-North Korea working-level talks were held at the U.S. Embassy in Kuala Lumpur this afternoon and were attended by Gary Samore, aide to the U.S. nuclear ambassador [title as heard], and Yi Yong-ho, deputy director general for nonproliferation of North Korea's Foreign Ministry.

A diplomatic source in Kuala Lumpur analyzed: The United States and North Korea have converted the form of their talks into working-level ones in a bid to seek a working-level compromise because of sharp differences in opinion between the chief delegates of the two sides over difficult issues, such as the acceptance of ROK-type light-water reactors.

The United States and North Korea will conclude working-level talks today and will resume full-dress talks on 24 May with the chief delegates of both sides in attendance.

#### **'Different Positions' Expressed**

*SK2305115195 Seoul KBS-1 Radio Network  
in Korean 1100 GMT 23 May 95*

[By correspondent Yi Hyon-chu from Kuala Lumpur]

[FBIS Translated Text] It has been learned that the United States and North Korea expressed quite different positions on specific technical issues, such as the role of the party that places an order for light-water reactors, during the ongoing talks in Kuala Lumpur and failed to narrow differences in opinion in the working-level talks held today.

The United States and North Korea have great differences of opinion, particularly on the role of the party that places an order for light-water reactors, the scope of the role of the supervisor of the reactor construction—the so-called program coordinator—and the position of the Korean Energy Development Organization.

Regarding the role of the party that places an order for light-water reactors, North Korea insists that North Korea should naturally be the order placer and that it must have not only the right to select the type of reactor, but also the right to select the main contractors and subcontractors. North Korea also demands that the scope of the role of the program coordinator, which is limited to mediation and coordination between the main contractors, our country and North Korea, be expanded; that the program coordinator be specified as the virtual main contractor who is invested with full powers, including the responsibility for the entire process of building reactors and changing the design; and that the United States be in charge of this role.

#### **DPRK Munitions Industry Organization Described**

*SK2205043495 Seoul CHUNGANG ILBO in Korean  
22 May 95 p 13*

[Report by Kang Yong-chin]

[FBIS Translated Text] How does the North Korean munitions economy operate? The North Korean economic system is entirely different from our economic system. The difference is that, first, the socialist planned economy — in which the entire process of production and distribution is controlled by the state — is thoroughly implemented.

Let us examine how the North Korean munitions economy, which is known as the so-called "second economic sector," operates.

There is a group of large office buildings on a hillock in Kangdong County, Pyongyang, and people's access to this area is strictly prohibited. This group of large office buildings is larger than North Korea's Administration Council's office buildings, which are compared to our unified government office buildings. These buildings are precisely the office buildings of the so-called "Second Economic Committee."

The Second Economic Committee is charged with production, distribution, and trade with foreign countries of all munitions, including weapons, military uniforms, and military boots.

The Second Economic Committee was formally under the National Defense Commission, which is one of the two main props of the North Korean Government (another prop is the Administration Council). However, the committee is actually under the direct control of the munitions industry policy and inspection department of the Central Committee of the Workers Party of Korea [WPK].

The head of the munitions industry policy and inspection department is Chon Pyong-ho, secretary of the



WPK Central Committee. Chon Pyong-ho is in charge of not only the Second Economic Committee, but also the Ministry of Atomic Power Industry and the electronics and automation industry committee under the Administration Council. Accordingly, Chon Pyong-ho is the highest responsible person of the North Korean munitions economy.

On the other hand, the chairman of the Second Economic Committee is Kim Chol-man, colonel general of the North Korean Army, member of the WPK Military Commission, and member of the above-mentioned National Defense Commission.

The Second Economic Committee is made up of nine bureaus according to weapons production system. The general bureau is charged with planning, budget compilation, and procurement and distribution of materials. The first bureau is charged with conventional weapons such as rifles, ammunition, hand grenades, and other military equipment. The second bureau is charged with tanks and armored vehicles. The third bureau is charged with various types of artillery, such as antiaircraft artillery, self-propelled artillery, and multiple launch rockets. The fourth bureau is charged with missiles. The fifth bureau is charged with chemical weapons. The sixth bureau is charged with naval ships. The seventh bureau is charged with communication equipment and aircraft. The external economic general bureau, known as "Yongaksan Company," is charged with trade with foreign countries in the munitions economic sector.

The Second Economic Committee has branch offices throughout the country. These branch offices establish and implement military supply production plans. The Second Economic Committee has their own production plants in various districts. It also has production lines for its own use in various plants throughout the country that are operated by the Administration Council.

The general plants under the control of the Administration Council give more priority to implementing the Second Economic Committee's production orders than production orders from other ministries, unless they were orders for producing materials for Kim Il-song and Kim Chong-il.

Observers hold that the Second Economic Committee has nothing to do with North Korea's nuclear development program and that the nuclear development program is probably carried out by a different organization.

It has been known that the Second Economic Committee, which has a secret numerical designation, is led by three men, Choe Yong-nim (in charge of administration affairs), Chon Pyong-ho (in charge of political affairs),

and Kim Hui-min, alias, (in charge of technological affairs).

What draws our special attention is that the People's Army does not directly take part in this giant Second Economic Committee. The People's Army only receives and uses materials supplied by this committee.

It has been known that the Army is mobilized only in engineering work for atomic reactor facilities and is completely shut out of the nuclear development program.

#### **Kim Il-song 'Proposed' 1972 N-S Nuclear Program**

*SK2005090295 Seoul YONHAP in English  
0835 GMT 20 May 95*

[FBIS Transcribed Text] Tokyo, May 20 (YONHAP) — The deceased leader of North Korea Kim Il-song had proposed to develop nuclear weapons jointly with South Korea when he met with Yi Hu-rak, then director of the Korean Central Intelligence Agency, in 1972, the JIJI press reported Saturday [20 May] quoting a former WASHINGTON POST correspondent.

Quoting the correspondent who now works at a research institute for Johns Hopkins University, JIJI said that Kim suggested that "Let's join forces to make nuclear weapons now that we made improvements in relations."

Kim made the suggestion at the end of the seven-hour secret talks with Yi Hu-rak in Pyongyang, according to JIJI.

JIJI added that the comments made by Kim bears significance in that North Korea planned to make nuclear weapons as early as in 1972.

The former WASHINGTON POST reporter revealed the minute on the talks between Kim Il-song and Yi Hu-rak at a seminar Friday, according to JIJI.

#### **Foreign Firms Visit DPRK Najin-Sonbong Area**

*SK2305124395 Seoul CHOSON ILBO in Korean  
23 May 95 p 33*

[All names as transliterated]

[FBIS Translated Text] It has been revealed that some 150 foreign business delegations have visited the Najin-Sonbong area in North Korea and discussed investments with the North since 1994. So far, some 50 agreements or contracts have been exchanged and the total proposed investment amounted to \$140 million. Among the businesses that expressed their willingness to invest in the Najin-Sonbong area are the Stanton Group of the United States; the Peregrine, the New Northeast Asia Co. Ltd., the Asia Development Corporation, China



Asia-Pacific Corporation, Ltd. of Hong Kong; the Spalas Holding Company of Greece; the Franciatic Company of Malaysia; the RTM Group of Switzerland; and the Dacsin Group of Singapore.

This was reported recently by CHOSON SINBO, an organ of the Association of Korean Residents in Japan. Citing remarks by Pak Ung-song, president of Choil Export and Import Company, which is playing virtually the role of a North Korean trade mission in Japan, CHOSON SINBO reported that 126 foreign business delegations visited the Najin-Sonbong area in 1994 and that over 20 foreign business delegations visited the area for business talks this year.

The Stanton Group, whose head office is located in Boston, agreed for the first time to establish a joint venture company with the North Korean Choson Solbi Company (Solbi-Stanton Development Company) as a U.S. firm. The joint venture company is expected to push ahead with such businesses as the operation of the oil refinery and thermal power plant in Sonbong through processing-on-commission trade rather than direct investment. The New Northeast Asia Co. Ltd. of Hong Kong expressed interest in investing in building a liquor and soft drinks plant, and the Pupo airport. The liquor and soft drinks plant, the first 100 percent foreign-invested plant, is planning to produce 48,000 tonnes of liquors daily using spring water from the Kwangok pass. The liquor and soft drinks company decided to invest \$2 million for the first-stage of the construction. As for the construction of the airport, the company is planning to build the runway in three-stages; the first stage would include 1,500 meters, the second 2,500 meters, and the third 4,000 meters. The China Asia-Pacific Corporation, Ltd. is to invest in the modernization of the stevedoring facilities for the No. 2 dock of the Najin port, and the Spalas Holding Company of Greece expressed interest in the crude oil processing industry. The Peregrine of Hong Kong agreed in February to establish the Peregrine-Taesong Development Bank with an initial investment of \$5 million to \$10 million in a joint venture with the North Korean Taesong Bank. A foreign business invested \$2 million in building the fertilizer transit site on No.1 dock of Najin port in 1994. The U.S. AT&T, which built the U.S.-North Korean international telephone line, MCI, and GM also expressed interest in investing; however, no specific business deal has materialized yet.

#### **Chongnyon Publication Interviews North Officials**

SK220506/195 Seoul CHUNGANG ILBO in Korean  
22 May 95 p 13

[Article by reporter Yu Yong-ku: "North Korea Has Again Stressed the 'New Economic Strategy'"]

[FBIS Translated Text] North Korea designated the three years from 1994 as a period of adjustment and adopted a new economic strategy of directing primary efforts to agriculture, the light industry, and foreign trade and has since been implementing this strategy.

Though North Korea seemed to show signs of wavering temporarily after Kim Il-song's death last July, it again stressed the importance of the new economic strategy in the "party's slogans" released on 1 May on the 50th anniversary of the Workers Party of Korea's founding.

In connection with this, a recent edition of CHOSON SINBO, an organ of the pro-Pyongyang General Association of Korean Residents in Japan [Chongnyon], carried interviews with working-level North Korean officials in agriculture, the light industry, and foreign trade. In the interviews, they elaborated on the new economic strategy. CHUNGANG ILBO carries contents of the interviews to help our readers understand North Korea's policy. Agriculture [subhead]

Cha In-sok, deputy chief of the Agricultural Production Bureau, Agricultural Commission, Administration Council: We will mobilize the entire party, all the people, and the entire Army to carry out the campaign to increase grain production. We will also take measures to increase the fertility of soil.

The goal of grain production for this year is 10 million tonnes. We will expand the planting of the high-yield seed "Pyongyang No. 21," which can yield eight to 10 tonnes per chongbo [one chongbo equals 2.45 acres]. This seed is now planted on 22 percent of wet paddies. We will also expand the planting of new improved corn seed "Unsan," which can yield 10 tonnes per chongbo. Light Industry [subhead]

Im Yong-chon, chief of the First Bureau, Light Industry Commission, Administration Council: We will greatly increase investments in the textile and shoe industries. We will domestically supply resources for consumer goods but import crude rubber and cotton.

We will concentrate our efforts on innovating facilities and improving technology. Our annual production goal is 1.5 billion meters of fabric and 120 million shoes. Trade [subhead]

Kim Ki-tok, director of the Planning Bureau, State External Economic Affairs Commission, Administration



Council: We have developed markets for magnesia clinker in Ukraine, Switzerland, Germany, and India and are about to ship them.

We are exporting cement to Thailand, Yemen, Bangladesh, Indonesia, and Vietnam.

Since the North Korea-U.S. basic agreement was adopted, many countries have been positively asking for exchange with North Korea. China, with which railway transportation is possible, is our biggest trading partner. Malaysia, Indonesia, Thailand, India, Singapore, Bangladesh, and other Southeast Asian countries are our important trading partners, as well. This is because freight ships can deliver goods to these countries or bring goods to us in a short period of time and because they are rich in crude rubber, coconut oil, and crude oil.

We also attach importance to trade with Germany, France, Italy, Switzerland, and other advanced capitalist countries.

#### **Daily Reviews Wage Structure for DPRK Workers**

*SK2205070595 Seoul HANGUK ILBO in Korean  
22 May 95 p 23*

[Article by reporter Yu Sung-u]

[FBIS Translated Text] Approval has been given to the Daewoo Corporation to push ahead with a project in the Nampo Industrial Zone in North Korea; and, therefore, it is expected that ROK enterprises will now invest in the North in earnest. Public attention is now drawn to the "cheap and good quality" of North Korea's labor force.

It has been learned that North Korea is lowering the level of wages for its workers in recent negotiations on ROK investment in North Korean projects. According to pertinent business sources, North Korea is now engaged in negotiations with joint-venture enterprises for which North Korea will lower the level of wages for North Korean workers in the free economic zones, such as the Najin-Sonbong region, from the \$150 to \$200 range to \$100 per month for every worker.

Such a wage level is the bottom-line level as stipulated by North Korean law. Article 26 of the regulations on labor at foreign-invested enterprises, which North Korea recently enacted, stipulates that the minimum monthly wage for a North Korean worker will be 220 won in the North Korean currency (which is equivalent to about \$100); and 160 won (75 U.S. dollars) in the free economic zones, such as the Najin-Sonbong region. It is analyzed that North Korea has taken such a measure because the level of North Korean workers' wages is

deemed to be somewhat higher than that of workers in the PRC and Southeast Asian nations.

According to a poll conducted by the Korea Foreign Traders Association of 15 ROK enterprises, which are presently engaged in processing-on-commission-based trade with North Korea, the wage index of North Korea is 38.2, which is slightly higher than that of the PRC's 37.0; compared with the datum point of the ROK's 100.

This notwithstanding, according to an analysis of the National Unification Board, even though ROK and other enterprises have concluded contracts with their North Korean counterparts to pay North Korean workers \$100 monthly, the actual amount of wages will far exceed \$100 when various kinds of bonuses and insurance coverage is considered. The North Korean law categorizes wages into four types: wages, additional wages, incentive wages, and bonuses. Until recently, the North Korean authorities had not admitted the rationale of the payment of bonuses aimed at increasing productivity; but, recently, they have been actively publicizing a system of paying bonuses through various kinds of propaganda organizations.

In North Korea, foreign-invested enterprises are generally supposed to pay a 100-percent bonus annually, and allocate 7 percent of the total amount of the wages to social insurance accounts. In concluding contracts with foreign-invested enterprises, North Korea also requires such enterprises to employ a management staff, office clerks, and technical supervisors in addition to the general laborers (semi-skilled workers). Even though such people do not make any conspicuous contributions to production, their wages are in the high range of from \$300 to \$400.

In consideration of this, Korea Trade Promotion Corporation officials and the Korea Development Institute share the view that foreign-invested enterprises should actually pay North Korean workers an average monthly wage of about \$150.

A joint-venture enterprise, such as a project that Daewoo is pushing in the Nampo Industrial Estate, cannot directly hire workers. They must employ them by contract through a pertinent labor agency. The enterprise pays wages for such workers in a lump sum to such an agency. In this case, it is estimated that the actual pay that a North Korean worker will receive will be in the range of \$45 to \$90. As a result, there is no big difference between this level and the level of wages that North Korean workers now actually receive.



**Amnesty International Urges Release of Loggers**

SK2205070295 Seoul YONHAP in English  
0643 GMT 22 May 95

[FBIS Transcribed Text] Seoul, May 22 (YONHAP) — Amnesty International (AI) has strongly urged North Korea to release all North Korean loggers allegedly detained at logging camps in Siberia.

AI's South Korean chapter said Monday that the international organization's secretariat has demanded an immediate release of the loggers now forcibly being held in custody by North Korean officials, and also demanded Russian authorities guarantee that North Korean workers would not be confined in Siberia contrary to Russia's domestic laws as well as the standards of international human rights.

Pointing out that some of the loggers are classified as "conscientious prisoners" as they are being detained due to their attempt to be protected by other governments, the AI emphasized that Russian authorities should guarantee that the detained workers would not be sent back to North Korea where their human rights are likely to be violated.

AI also expressed its opinion that the Russian authorities should provide opportunities to adequately protect those North Korean workers who fear returning to the North.

In 1992, 63 North Korean loggers deserted their logging camps without permission, according to AI. Of them, at least 19 were arrested and then either held in custody or forcibly repatriated to North Korea, while 15 others sought political asylum in South Korea.

AI explained that it has also received reports that some of North Korean loggers were detained by North Korean officials at places other than prisons located in their residential areas.

The North Korean workers who attempted to desert the logging camps have been charged with violating the rules of their camp and have been facing inhumane treatment, including torture, the AI stated.

**DPRK's Kim Tal-hyon Reportedly Fired From Job**

SK2205055395 Seoul SEOUL SINMUN in Korean  
22 May 95 p 4

[Report by Ku Pon-yong]

[FBIS Translated Text] There is a saying: "Falling objects have no wings." This well describes the plight these days of Kim Tal-hyon, former North Korean vice premier of the Administration Council.

Former Vice Premier Kim Tal-hyon — who was reported to have been demoted to the position of the man-

ager of the Sunchon Vinalon Complex around the end of 1993 — is said to have lost even this job recently. This information has been obtained by government authorities through a person affiliated with the Association of Korean Residents in Japan who has recently been to North Korea.

He was dismissed from the position of vice premier and the chairman of the State Planning Committee prior to the Sixth Session of the Ninth Supreme People's Assembly in December 1993. The position went to Hong Sok-hyon, a grandson of Hong Myong-hui, the author of the novel "Im Kok-chong." At that time, the North Korean authorities remained quiet on the background of Kim's demotion, but a widely accepted guess was that he was demoted for failure in the Third Seven-Year Plan. He was chosen as a sacrificial lamb for Kim Chong-il, whose protege he was.

Therefore, his grand comeback was anticipated in the Kim Chong-il era after Kim Il-song's death. However, this anticipation turned out to be widely off the mark. Kim Tal-hyon briefly appeared with a miserable position of 139th on the North Korean leadership line-up for Kim Il-song's funeral, and then disappeared totally.

Many believe that Kim Tal-hyon's long seclusion does not necessarily mean that he has been completely purged from power. In the North Korean system, there have been cases in which a person faded from the scene for quite some time and then came back quietly, and there is a rumor that he is a relative of Kim Il-song and Kim Chong-il.

However, if it is true that he has been reprimanded again this time, it could be taken as a sign that the hard-line quarters in North Korea, such as the military, have obtained a stronger voice since Kim Il-song's death, for Kim Tal-hyon showed a relatively moderate and open-minded inclination with Kim Chong-il's confidence.

**U.S. Soldiers Involved in Violent Incidents**

**Police Arrest U.S. Soldiers**

SK2005025395 Seoul YONHAP in English  
0235 GMT 20 May 95

[FBIS Transcribed Text] Seoul, May 20 (YONHAP) — Seoul police Saturday arrested five American servicemen for violence at a Seoul subway stop late Friday night.

One of the G.I.'s involved was identified as Cpl. Abraham Anderson, age 21, of the Eighth U.S. Army military police unit.

A police source said the five soldiers and eight others who appeared to be accompanying them were rowdy



and attempted to bring beer on a subway No. 3 train at about 10:50 P.M., one of the servicemen also allegedly touched a Korean woman's hip.

The group were made to get off at the Chungmu-ro stop where the five soldiers beat and kicked a Korean accuser, who sustained injuries that are expected to require two weeks of treatment.

When a group of policemen reached the scene, the soldiers tried to attack them with their beer mugs. They were taken to the subway police's Chungmu-ro office.

The soldiers refused to answer police questions except to disclose their identities.

About 100 irate citizens assembled for about three hours at the subway's police office to protest the soldiers' lawlessness.

The police turned the soldiers over to the Eighth U.S. Army military police under the Status of Forces Agreement (SOFA), but plan to summon them shortly for questioning.

#### Assault Case on 21 May Viewed

SK2205015695 Seoul YONHAP in English  
0145 GMT 22 May 95

[FBIS Transcribed Text] Chunchon, Kangwon Province, May 22 (YONHAP) — Police turned over eight drunken American soldiers who allegedly assaulted two Koreans late Sunday [21 May] night to U.S. military authorities Monday.

The drunken GI's stopped a taxi in Chunchon at around 10:10 PM Sunday, engaged in a wrangle with the driver and assaulted two passengers who tried to stop them, inflicting on Hwang Chong-kon, 25, and another injuries that will require two to three weeks of treatment, according to police.

One of the American servicemen was identified as Cpl. Paul A. Jullen, 22, of an aviation unit located in Camp Page.

The assault case involving GI's followed a similar incident that took place in Seoul last Friday, in which five U.S. servicemen beat a Korean at a subway station.

The Seoul Chungbu police station, meanwhile, plans to ask sometime Monday the U.S. military authorities to hand over the five U.S. servicemen including Cpl. Abraham Anderson, 21, of the Eighth U.S. Army Military Police unit, for questioning.

#### 'Strict Punishment' Urged

SK2105095795 Seoul KYONGHYANG SINMUN  
in Korean 21 May 95 p 3

[Editorial: "Strict Punishment Should Be Dealt A Crimes by U.S. Soldiers"]

[FBIS Translated Text] The sexual harassment in against a Korean woman and the violence passengers by U.S. soldiers on Seoul subway's line on 19 May caused a large crack in the am sentiments between Koreans and Americans. It is an unfortunate event. This incident is a common ordinary one that can be frequently seen in our s However, the fact that foreigners, U.S. soldi particular, were the offenders greatly damage national pride.

It is true that in addition to their gratitude to th Armed Forces for their security support, many K view the presence of U.S. troops in the ROK the protection of U.S. national interests. This the case, crimes by U.S. soldiers against Korean naturally cause a reaction by Koreans, such as "I still look down on us?" During negotiations to the ROK-U.S. Status of Forces Agreement [SO 1992, we acquired first court jurisdiction for crim U.S. soldiers, except for a very small portion. Ho unlike in Japan and Germany, we failed to reta right to detain and investigate. This also greatly our pride.

U.S. Army authorities rejected the ROK's right tain and investigate, claiming ROK judicial auth cannot properly ensure the human rights of the su the facilities of ROK wards are not appropriate; a diers' crime are referred to military authorities e the ROK. However, the allegation about human and ward facilities is merely an excuse far distan the essence to punish a crime. In view of the fa U.S. military authorities exempt U.S. soldiers who mit crimes, and in actuality send them back to home country, then their allegations about the r punish soldiers lacks persuasive power.

In a nutshell, disputes between the two authoritie the ROK-U.S. SOFA is linked to the issue of w exception should be made to the universal principl should observe Roman law when in Rome." Ne to say, our position is that exceptions should recognized. This does not necessarily mean w the special position of U.S. Forces in Korea to s the ROK's security. What we mean is that treatment should not be recognized for "those commit crimes."



In the event ROK-U.S. relations are described in such words as humiliating diplomacy, unfair agreement, and the like, the basis for the presence of U.S. Forces in the ROK cannot help but be shaken. If U.S. military authorities merely continue to take soldiers who commit crimes under their wing, then these crimes will further increase and the result will greatly damage the traditional friendship between the two countries. We hope the U.S. military authorities will be aware of this.

We call on the U.S. military and our judicial authorities to inform U.S. soldiers that when they commit crimes in the ROK, they will be strictly punished according to ROK law, and to practically demonstrate this. Thus, we hope efforts will be made to prevent crimes by U.S. soldiers from occurring.

#### **Editorial Stresses SOFA Revision**

SK2205034395 Seoul CHUNGANG ILBO in Korean  
22 May 95 p 5

[Editorial: "The Status of Forces Agreement Between the ROK and the United States Should Be Revised"]

[FBIS Translated Text] The way police handled the sexual harassment and violent incident committed by U.S. soldiers at the Seoul No. three subway train arouses people's indignation more than the incident itself. It has been learned that a group of U.S. soldiers, who were in a drunken state, sexually harassed a Korean woman and beat up a man who intervened on a subway train. Even after they were taken to the subway patrol investigation unit, one of them took a piss in a garbage can. Also, they posed for a commemorative photo while singing loudly. However, the police handed them over to the U.S. military police without receiving a written statement from them.

According to the 1991 revision of the Status of Forces Agreement [SOFA] between the ROK and the United States, if the police send a summons to U.S. military authorities within 48 hours after an incident, they can investigate U.S. soldiers. However, this investigation should be carried out in the presence of a U.S. Forces representative. If the U.S. Forces representative does not sign a statement, the results from the investigation are worthless. Also, if the U.S. Forces representative claims acts by U.S. soldiers took place while they on duty, the police should hand jurisdiction over to U.S. military authorities. If the United States asks the ROK to give up its jurisdiction, the ROK side should favorably consider the U.S. request even if ROK jurisdiction is recognized.

Moreover, responsibility for compensation for damages is clarified that the ROK Government should share 25 percent of damages. Also, if U.S. soldiers flee into U.S.

military bases, the ROK police cannot conduct investigations, including search, confiscation, and verification.

As shown by the cases mentioned above, the SOFA contains unequal and unreasonable articles that infringe upon ROK sovereignty. Therefore, it is easily predicted how incidents will be handled.

Therefore, the SOFA should not remain as it stands and should be revised as soon as possible. This is the only solution to the problem. Of course, the current SOFA is not beneficial to the United States either because it enhances anti-U.S. sentiment among ROK citizens. It is well known, even by the United States, that the contents of the ROK-U.S. SOFA are more unequal than that of agreements between the United States and European countries, the United States and Japan, and even the United States and the Philippines.

It is a big problem because the ROK Government has a weak will to safeguard its sovereignty. The rate of cases in which the ROK had jurisdiction over crimes by U.S. soldiers is less than 1.4 percent of total incidents committed by them. This can be attributed to the contents of the SOFA. However, we are more concerned that the government has given up its jurisdiction right under the pretext of "routine." ROK investigatory authorities should strengthen their will to safeguard sovereignty, as well as to execute the law in order to reduce the unnecessary friction between the ROK and the United States.

#### **Foreign Ministry Sends Letter**

SK2305074195 Seoul YONHAP in English  
0729 GMT 23 May 95

[FBIS Transcribed Text] Seoul, May 23 (YONHAP) — A senior Foreign Ministry official sent a letter to Donald Iverson, deputy commander of United States Forces in Korea (USFK), Tuesday in which he expressed his regret over the recent violence committed against Koreans by American soldiers stationed here.

Yim Song-chun, director general of the American affairs bureau, said that he sent the letter to Iverson, also chairman of the Joint Committee of the Status of Forces Agreement (SOFA) for the United States, in his capacity as head of the SOFA Joint Committee representing South Korea.

In the letter Yim demanded that the USFK make efforts to prevent such violence against Koreans from recurring, expressing concerns that it damages friendly relations between the two countries arguing it causes angry sentiments against American soldiers.

Yim said that he will also dispatch a copy of the letter to the American Embassy here to call the American Government's attention to the issue.



Yim added that the government will soon ask the United States to revise the SOFA agreement to give the Korean Government more rights when investigating acts by American soldier which allegedly violate domestic laws.

#### **USFK Says Soldiers 'Victims'**

*SK2305082595 Seoul YONHAP in English  
0756 GMT 23 May 95*

[FBIS Transcribed Text] Seoul, May 23 (YONHAP) — The United States Forces Korea (USFK) claimed Tuesday that the U.S. soldiers involved in the recent assault cases in a Seoul subway station last Friday and in Chunchon Sunday were not assailants, but victims.

Col. Michael V. Sullivan, USFK public affairs officer, said in a statement, "At this point, we believe our soldiers could more properly be described as victims in these events and not, as the Korean media has portrayed them, as drunken, unruly predators."

He also said, "There is no credible evidence of any Korean victim in either incident requiring extensive medical care."

Referring to alleged sexual harassment of a Korean woman in the Chungmuro subway station in Seoul, Col. Sullivan said, "Although a U.S. soldier physically touched his Korean wife, there is absolutely no evidence of any sexual harassment of a Korean woman by an Army soldier."

Asked if the U.S. military will respond to a Korean police request for the appearance of the U.S. servicemen involved for questioning, he said, "We'll fully cooperate with it."

"We are confident that the truth will emerge and prevail in the face of those who would distort facts for hurtful and dishonest reasons," the statement added.

#### **Meeting Denounces 'Crimes'**

*SK2305101395 Seoul KBS-1 Radio Network  
in Korean 0903 GMT 23 May 95*

[FBIS Translated Text] Some 100 students and members of the headquarters of the Movement for Eradicating Crimes by the USFK held a meeting on 23 May in front of the U.S. Army base at Yongsan, Seoul, denouncing U.S. soldiers' crimes.

In a resolution issued at the meeting, they stressed that the unfair ROK-U.S. Administrative Agreement, as well as our government's flunky attitude toward the United States, is driving all the people into the danger of falling victims to U.S. soldiers' crimes and urged the USFK authorities' official apology and an early amendment of the ROK-U.S. Administrative Agreement.

After the meeting, they marched from the meeting place to the subway station in front of Sukmyong Women's University, distributing printed materials denouncing the successive crimes by U.S. soldiers in the ROK.

#### **U.S. Moves To Apply Super 301 to ROK Steel**

*SK2305105095 Seoul HANGYORE SINMUN  
in Korean 23 May 95 p 8*

[By reporter Sin Hyon-man]

[FBIS Translated Text] The U.S. steel tubing industry is moving to file a request for investigation into the applicability of the U.S. Super 301 trade law against the ROK Government's control over domestic prices and export volume. The U.S. steel tubing industry's moves draw our extraordinary attention as their demand urges the ROK Government to deregulate our steel industry. The moves could not only cause considerable damage to our steel industry, but to our industry as a whole, and affect the government's policy as well.

This is not the first time that the U.S. steel tubing industry has raised this issue. They have been claiming that the low price of the ROK steel tubes exported to the United States results from the ROK Government's control of prices and export volume of hot rolled steel, the raw material for steel tubes. They maintain that because of the government's low-price policy, the ROK steel tubing industry purchases hot rolled steel at a low price and that this is the main reason why the ROK steel tubes are price-competitive in the U.S. market. They claim that the ROK Government's control over the export volume and domestic prices are unfair practices tantamount to subsidizing the steel tubing industry.

The government explains that it does not control either the export volume or domestic prices and that the Pohang Iron and Steel Company [POSCO] maintains low pricing as a strategy for securing regular customers. POSCO maintains that if it reduces the supply of their products to its steady customers or raises prices to them when the supply is short of demand and the international market price rises, it will run into difficulties during times of recession in the steel industry. Nevertheless, the U.S. steel tubing industry seeks to apply the Super 301 clause because the gap in the domestic and international market prices for steel continues to widen. Business is picking up worldwide, and the demand for steel is increasing worldwide as a result of the earthquake in Kobe, Japan.

A boom in business in the ROK has also resulted in a short supply. At present, the international price of hot rolled steel is rising, and now exceeds \$430 per tonne. This trend is expected to continue for some time.



Meanwhile, POSCO maintains domestic prices at \$320 per tonne. Although it could make much profit, POSCO keeps itself from raising domestic prices in consideration of the impact such an act would have on local industry. POSCO exports only 20 to 25 percent of its products. POSCO has even begun recently to consider increasing the supply to the domestic market at the expense of exports. The government and POSCO are worried that if they increase the export volume and raise the price, it will cause a serious impact on local industry.

With the excessive widening of the gap between domestic and international prices, POSCO increased the price of some of their products, such as steel plates, but this met with strong protest from relevant business circles. POSCO management is at a loss over whether it should raise prices or not.

The government and POSCO think that the price freeze cannot continue indefinitely now that the World Trade Organization [WTO] has been launched. Therefore, POSCO is considering gradually increasing domestic prices to match international prices.

#### **President Meets With Russian Defense Minister**

SK2005025095 Seoul YONHAP in English  
0226 GMT 20 May 95

[FBIS Transcribed Text] Seoul, May 20 (YONHAP) — President Kim Yong-sam met with Russian Defense Minister Pavel Grachev Saturday morning and exchanged views with the visiting minister on issues surrounding the latest Korean peninsula developments and other matters of common interest.

President Kim, noting that North Korea seeks to shatter both the Neutral Nations Supervisory Commission and Korean Military Armistice Commission, said these moves by North Korea cannot possibly be in the interests of peace and stability within Northeast Asia.

The president spoke well of Russia's efforts encouraging peace and stability on the Korean peninsula, stressing that South Korea and Russia should closely cooperate for durable peace in the region.

Minister Grachev flew to Seoul Friday for a three-day official visit at the invitation of his Korean counterpart, Minister Yi Yang-ho.

#### **Asian Nations' Support for UNSC Seat Viewed**

SK2005025495 Seoul YONHAP in English  
0241 GMT 20 May 95

[FBIS Transcribed Text] Seoul, May 20 (YONHAP) — The Foreign Ministry of South Korea on Saturday expressed its welcome of the 49 Asian group countries' decision to back South Korea as the sole candidate for

the nonpermanent member seat of the United Nations Security Council (UNSC).

"We expect South Korea will be elected as a member of the UNSC with the full support of United Nations' members in a vote to be conducted at the 50th UN General Assembly," Yu Kwang-sok, a spokesman to the Foreign Ministry, said.

On Friday, the Asian group meeting at the United Nations decided to support South Korea as the sole candidate for the UNSC seat, with Sri Lanka officially dropping out of the race for the post.

#### **President Meets on Preparations for Universiad**

SK2205063095 Seoul YONHAP in English  
0617 GMT 22 May 95

[FBIS Transcribed Text] Seoul, May 22 (YONHAP) — President Kim Yong-sam presided over a high-level government meeting at Chongwadae [presidential offices] Monday to oversee preparations for the 1997 Winter Universiad.

Preparations for the world college students' winter games, including construction of roads to sporting venues and an athletes' village, must be thorough, as the games will be a forerunner to the 2000 winter Olympics to be held in the country, he told the meeting.

The government will provide as much support as possible for construction of the 118-kilometer-long road between Kunsan and Muju where skiing programs for the Universiad will be held, he said after Winter Universiad Organizing Committee Chairman Ko Pyong-u briefed the meeting on how the event is being prepared.

Expansion of the Choksan-Solchin road to a four-lane highway should be initiated as soon as possible to ensure smooth traffic flows during the games, he added.

Noting the coming winter Universiad will be a fete of not only North Cholla Province but also of the whole nation, he said North Cholla should use the event as a rare opportunity to demonstrate its rich culture to the world.

Attending the meeting were honorary Chairman Hwang In-song of the Winter Universiad Organizing Committee, Deputy Prime Minister and Finance and Economy Minister Hong Chae-hyong, Home Minister Kim Yong-tae, Culture and Sports Minister Chu Ton-sik, Construction and Transportation Minister O Myong and North Cholla Governor Cho Nam-cho.



**President Sends Message to Evangelist Congress**

SK2005061995 Seoul YONHAP in English  
0442 GMT 20 May 95

[FBIS Transcribed Text] Seoul, May 20 (YONHAP) — President Kim Yong-sam sent a message Saturday to the "Global Consultation of World Evangelization (GCOWE) '95," which opened at the Olympic Stadium here Saturday.

President Kim said in the message that the Korean church, along with Korea itself, has become what it is today after experiencing many years of suffering and persecution.

"In spite of colonial oppression and poverty, division of the peninsula and the pain of the Korean war, the Korean church has continued to grow," he said.

He added that now, the Korean church wants to share the joy of its present achievements with its brothers and sisters of the world who are still suffering and experiencing difficulties.

"Today's world is in great need of the love and service of fellow human beings and going beyond the interests of any one particular race. Jesus' parable of the good samaritan may be viewed as the globalization of love and service overcoming national and religious boundaries," he said.

He hoped that the GCOWE '95 will be a great success and inspire christians worldwide to be the true lights and salt of the earth.

**Status of, Reactions to Labor Disputes Reported****Hyundai Demonstrations Subside**

SK2005024895 Seoul YONHAP in English  
0223 GMT 20 May 95

[FBIS Transcribed Text] Ulsan, South Kyongsang Province, May 20 (YONHAP) — Hyundai Group workers' street demonstrations in Ulsan protesting against Friday's early morning police raid at Hyundai Motor Co.'s Ulsan plant have calmed for the time being.

Over 500 workers from Hyundai Motor Co. and Hyundai Precision and Industry Co., and 200-odd unionists from Hyundai Heavy Industries Co., staged simultaneous street demonstrations in front of the Hyundai Precision and Industry Co. facility and near Hyundai Heavy Industries Co.'s facility at about 6:40 PM on Friday.

Blocked by tear gas-firing riot police, the demonstrators escaped to the inside of the Hyundai Precision Co. and nearby alleys at about 7:30 PM, afterwards, at about

8:00 PM they dispersed, and the demonstrations near Hyundai Heavy Industries Co. also ended about the same time.

Police did not take any demonstrators into custody in an effort to avert clashes.

Workers at Hyundai Precision and Heavy Industries decided to report to work Saturday as usual, but to attend a rally at 3 PM Saturday where they are expected to pledge their victory in this year's wage increase and collective bargain struggles.

The police, meanwhile, sought to issue arrest warrants against six alleged masterminds of the Hyundai Motor strike, charging them with obstructing performance of duties. Included among the six are three co-chairmen of the measures committee for Yang Pong-su's self-burning — Yi Sang-pom, 38, Yi Hon-ku, 34, and Yun Song-kun, 32.

Yang, a dismissed unionist, attempted to burn himself to death on Friday last week demanding his reinstatement, which subsequently touched off the strike.

Police also sought arrest warrants against six Hyundai Motor workers who threw molotov-cocktails while demonstrating, violating the law governing the use of gasoline bombs.

Police placed seven members of the self-burning committee on the country's wanted list, the seven have emergency arrest warrants issued on them, but so far they have managed to escape police.

Of a total of 331 Hyundai workers taken into custody, the police referred 67 to summary court, released 240 Saturday morning and are still interrogating the remainder.

In a related move, over 30 people presumed to be workers of Hyundai Group-affiliated firms raided the Ulsan labor office at around 0:15 AM Saturday, throwing stones, spraying paint and smashing a large glass window at the office.

They shouted "Withdraw Police Forces!" and "Release Those in Custody," according to witnesses. They fled after ten minutes when night duty staffers rushed out of the office.

In the meantime, President Chon Sung-won of the Hyundai Motor Co. and Chairman Yi Yong-pok of the Hyundai Motor's trade union pledged Friday to do their utmost to reach an early normalization of the situation at the nation's largest auto plant.

"By making all preparations necessary for production, such as proper arrangements at work sites and safety



inspections, we will do our best to normalize operations as soon as possible," Chon said.

Union chairman Yi charged the self-burning measures committee with complicating the solution of the issues by bringing in the alliance of Hyundai trade unions and radical labor organizations. "The trade union has been doing its best to solve the situation in collaboration with the management," Yi said.

#### **Tension Remains at Hyundai Plant**

SK2005061895 Seoul YONHAP in English  
0452 GMT 20 May 95

[FBIS Transcribed Text] Ulsan, South Kyongsang Province, May 20 (YONHAP) — Tension is likely to continue at the nation's largest Hyundai auto plant here despite a dawn police raid Friday and the subsequent detention of the sit-in strike's masterminds.

The tension remains present as the Alliance of Hyundai Trade Unions is adamantly protesting the police raid.

The Hyundai Trade Union Alliance, which masterminded violent street demonstrations in Ulsan Friday evening, decided on Saturday to put off a protest rally scheduled for 3:00 PM until Monday [22 May] on account of rainfall. The rally is likely to demand an end to the so-called oppression of the labor movement and claim a victory in this year's struggles for wage increases and improved working conditions.

Representatives of Hyundai Motor Co.'s management and trade union agreed at a meeting held Saturday morning to devote themselves to an early resumption of car manufacturing.

But they failed to decide when to end the company's shutdown, instituted Wednesday, because the protest rally was postponed until Monday next week.

The prosecution, meanwhile, plans to arrest 36 people involved in the motor plant's sit-in strike and demonstrations. The prosecution is seeking arrest warrants for six of the movement organizers who are now in custody.

#### **Settlement of KT Dispute Urged**

SK2005031595 Seoul YONHAP in English  
0251 GMT 20 May 95

[FBIS Transcribed Text] Seoul, May 20 (YONHAP) — President Kim Yong-sam instructed the administration to promptly settle the labor dispute developing at Korea Telecom [KT], adding the government should be fully aware that the labor dispute is developing into a serious violation of the law.

Presiding over a meeting of senior secretaries at Chongwadae [presidential offices], the chief executive said he would carry out the president's responsibilities as provided for under the Constitution, reiterating his stern stance on Korea Telecom's labor dispute, presidential spokesman Yun Yo-chun told reporters.

Subsequently, the administration took emergency measures against a possible strike by the union, including the use of military telecommunication personnel in case the union stages a strike, while confirming its policy to strictly punish union leaders in accordance with the law regardless of the union-proposed cooling-off period.

The Defense Ministry said it is prepared to assign military telecommunication personnel to Korea Telecom at the company's request if the union strikes.

Senior presidential economic secretary Han Yi-hon said that Korea Telecom's union initiated the dispute not on collective bargaining for wage increase issues but for political purposes, adding the union has been engaged in illegal labor activities to achieve such objectives since May last year.

The management sued union leaders for such activities as they defied management's repeated urgings against the illegalities, he explained.

Because it appears unlikely the dispute will be settled in the near future, the administration took steps against the possibility it would drag on, he added.

Under the measures, related cabinet ministries are prepared to employ replacement workers in case the union strikes, he said, ignoring the union's offer to have a 10-day cooling-off period.

There is no change in the policy of punishing union leaders, he stressed.

Senior government affairs secretary Pak Sung-tal said police would seek arrest warrants for 17 activists out of the 64 unionists sued for illegal labor activities.

#### **Prosecution Not To Seek Warrants**

SK2005120495 Seoul YONHAP in English  
1201 GMT 20 May 95

[FBIS Transcribed Text] Seoul, May 20 (YONHAP) — The prosecution will not seek for the time being arrest warrants for 15 leaders of the Korea Telecom (KT) Union charged with leading illegal collective actions as the KT Union decided to stop any collective actions during the coming 10-day 'cooling-period', according to a Seoul prosecution spokesman Saturday [20 May].

"The prosecution will closely watch developments in the labor disputes in the Korea Telecom before deciding on



the timing and ways to seek arrest warrants (for KT Union leaders) as the union showed a mild attitude by deciding to refrain from staging any collective actions for the coming 10-day cooling-period (under the current labor dispute laws)," said the spokesman.

The prosecution, however, will seek arrest warrants for the KT Union leaders if the union shows any sign of collective actions during the cooling-period, he said.

The prosecution charged the union leaders with staging sit-ins at the office of KT president and assaulting senior officials of the KT on seven occasions since July last year, demanding abolition of the government-issued guideline to limit wage hike and denouncing the government's privatization policy of the country's telecommunication market.

#### **Police Search for Unionists**

*SK2205014695 Seoul YONHAP in English*  
0118 GMT 22 May 95

[FBIS Transcribed Text] Seoul, May 22 (YONHAP) — The prosecution and police began late Sunday night an extensive search for 19 unionists allegedly involved in a labor dispute at Korea Telecom or a partial strike at Hyundai Motor Co.

Earlier in the day, the law-enforcement authorities obtained warrants mandating the arrests of Yu Tok-sang, 40, chairman of the Korea Telecom trade union and 13 other unionists in the state-run company, and Kim Kwang-sik, 31, a staff member of the Hyundai Motor Co. union, and four others at the plant.

Under the direction of the prosecution, the police conducted a wide-scale search for the wanted men throughout the country, for three hours from 11:00 PM Sunday night through 2:00 AM Monday morning.

In Seoul, some 20,000 police officers were mobilized in an effort to arrest the unionists, a rare action conducted by authorities during the late night and early morning hours for such a large number of police forces.

Police sources explained that the massive police action is a reflection of the government's strong will to drive a wedge against the extremist unionists' attempt to take advantage of the loose social atmosphere prior to the June 27 local elections.

Earlier, police arrested five other Korea Telecom union staff members on charges of hindering the company's business operations.

#### **Police Question Senior Unionists**

*SK2105095595 Seoul YONHAP in English*  
0911 GMT 21 May 95

[FBIS Transcribed Text] Seoul, May 21 (YONHAP) — The Seoul Police Administration are questioning four senior union members of the state-run Korea Telecom Sunday [21 May] in connection with an attempt to stage an illegal strike.

Those under questioning include union leader Yu Tok-sang and Kim Sung-ung, chief for the union's Industrial Safety Department, a police spokesman said.

The police are planning to seek arrest warrants for the leaders, if found guilty, on charges of obstructing normal business operation and employing violence in the course of staging demonstrations and sit-ins, according to the spokesman.

Police are still seeking for the remaining 60 on similar charges.

The unionists, who are banned by law from going into a strike without a prior arbitration by the Central Labor Committee, have staged demonstrations and sit-ins against a government communications policy that contained liberalization of the communications market to foreign competitors over the past one month.

The union, however, withdrew Friday an earlier plan to declare its 52,000 union members would go into a massive strike unless the government and the company revoke punitive measures against union leaders.

The withdrawal came shortly after President Kim Yong-sam reiterated a strong countermeasure against an act "threatening national security."

Meanwhile, the prosecution and the Information and Communications Ministry have also reconfirmed their earlier hard-line positions against those "involved in illegal labor strifes."

#### **Seoul Prosecutor Seeks Arrests**

*SK2305031595 Seoul THE KOREA TIMES in English*  
23 May 95 p 3

[FBIS Transcribed Text] The Seoul District Prosecutor's Office yesterday launched manhunts for the 42 leading members of the Korea Telecom's trade union for their allegedly illegal union activities, after arresting five others Sunday [21 May] morning.

The prosecution decided to indict all of the 23 key union members among the 42, including Yu Tok-sang, chairman of the union, and Chang Hyon-il, director of collective actions, after placing them under arrest.



They face charges of obstructing the execution of official duties for their alleged involvement in the break-in into the Information- Communications Minister's Office in April and assaulting senior officials of Korea Telecom, a spokesman said yesterday.

The prosecution plans to request advance arrest warrants for the 23 key union members, today, he said.

The law enforcement authorities posted police troops around the Korea Telecom building, downtown Seoul, screening personnel there to arrest those on wanted lists.

Police also locked up the union office at the building after forcibly escorting its three staff members at the office, Sunday morning. Two others were arrested at their homes.

The management of Korea Telecom, the nation's phone service carrier, yesterday decided to finish meting out punishments to the 64 union members by June 10.

The 15 hard-line members will be sacked, and 49 others face suspension or a cut in their wages, a Korea Telecom spokesman said.

The management also filed a complaint with police against the chief of the union's branch in Sochongju over the suspension of the 114 phone number information service last week, allegedly due to a union meeting.

Chairman of the union, Yu Tok-sang, only logged his message into the Hi-TEL PC communications network calling on unionized workers to maintain "legal and peaceful" protests against the suppression of union activities.

In the message, Yu issued directions to 327 union branches across the nation that they put up placards denouncing the crackdown on the union and stage a campaign to place calls to political parties and news medias.

Six leading members' of the union wanted by police, including Chang Hyon-il, director of collective actions, began a sit-in protest yesterday at the premises of Myongdong Cathedral, downtown Seoul.

#### **Hyundai Announces Work Resumption**

SK2205032495 Seoul YONHAP in English  
0303 GMT 22 May 95

[FBIS Transcribed Text] Ulsan, South Kyongsang Province, May 22 (YONHAP) — Hyundai Motor Co. announced Monday it will resume normal operations at its automobile manufacturing plant here starting 8:00 AM Tuesday [23 May] morning, seven days after the company suspended work at the plant.

In the announcement the company said it decided to resume work because financial losses resulting from lost sales, which is estimated to be 230 billion (about 300 million U.S. dollars), will adversely affect the national economy as well as its subcontractors' businesses.

The company's decision immediately followed the Hyundai Business Group's presidential meeting which was chaired by group Chairman Chong Se-yong who visited the auto factory here.

Under the decision, the company asked all its employees to report to work Tuesday morning and to cooperate with plans to resume normal operations at the country's largest auto factory.

It will also ask the authorities to withdraw law-enforcement personnel presently stationed at the motor plant if normal activities are resumed.

Some 7,000 workers including the team and unit heads of each production line showed up at their workplaces Monday morning and have almost completed preparations necessary to resume operations.

Operations at Hyundai Motor Co.'s Ulsan plant are expected to be fully normalized 11 days after some hardline unionists initiated a partial work boycott last Saturday, one day after dismissed unionist Yang Pong-su attempted to burn himself to death, and seven days after the company instituted the shutdown.

Despite the announcement ending the shutdown, a complete resumption of operations at the nation's largest auto plant is expected to require a considerable period of time as the federation of Hyundai group trade unions is staging a large-scale rally at 5:30 PM Monday, and as ill feelings against the police raid of the motor plant still remain strong.

The trade unions' federation said in a statement Monday that the resumption of operations is nothing but a pre-determined sequence of actions, and that workers' determination to win wage increases and improved working conditions this year will be consolidated at the rally Monday afternoon.

As the federation has repeatedly pledged to hold "a non-violent, peaceful rally," no major clashes with police are anticipated.

No more than 4,000 to 5,000 workers are expected to attend the rally as it is being held on a weekday, and in view of the shrunken morale of workers in the face of the government's extremely strong posture when dealing with labor disputes.

To crush possible violent demonstrations by workers hurling stones and molotov cocktails, despite a peaceful



rally promised by the trade unions' federation, police will deploy 23 riot police companies, over 2,700 troopers, near the rally site Monday afternoon.

**BOK: Economy Grows 9.9 Percent in First Quarter**  
*SK2305122295 Seoul YONHAP in English*  
 0825 GMT 23 May 95

[FBIS Transcribed Text] Seoul, May 23 (YONHAP) — The South Korean economy grew 9.9 percent in the first three months this year, indicating that the economy is overheating in some areas.

The Bank of Korea reported Tuesday the gross domestic product (GDP) in the first quarter was provisionally tallied at 57.17 trillion won (75.2 billion U.S. dollars), up 9.9 percent from a year earlier.

In terms of gross national product (GNP), the economy also achieved a 9.9-percent growth during the period, far exceeding the government's initial and revised projections of 7.3 percent and 8.2 percent.

The 9.9-percent GDP increase was the highest quarterly increase achieved since the second quarter of 1991 which saw a 10.6-percent growth, indicating the economy will continue the expansion through the year's end.

Booming exports, along with brisk investment in plants and equipment, are chiefly credited for the rapid growth in the first quarter.

Exports grew 23.8 percent, exceeding the 22.9 percent import expansion in the period and the 16.2 percent export increase for all of last year.

Investment in plants and equipment increased 25.2 percent against the 23.3 percent growth experienced last year. While investment in transport equipment, such as ships and aircraft, increased only 6.9 percent against last year's growth of 23.9 percent, investment in machinery also soared 33.1 percent, up 9.8 percentage points over last year's 23.3 percent increase.

Investment in construction rose 8 percent, nearly double last year's 4.6-percent increase, thanks to brisk construction of industrial and commercial buildings and economic infrastructure, such as irrigation canals and electric power generation and distribution facilities.

Private consumption surged 8.7 percent, the highest rise since the 9.5 percent swell recorded for the final quarter of 1991, and this is considered by many as a sign of an overheating economy.

The increase was chiefly attributed to brisk sales of beepers and other portable radio devices, computers, cars and electronic home appliances.

Production in light industries registered a growth of only 2.8 percent in the first quarter, continuing its slow pace since it experienced a 5.7 percent increase in the third quarter of last year.

But the heavy and chemical industries achieved a 16.4-percent expansion, a quarterly high since the 24.3-percent growth recorded in the third quarter of 1988.

The growth gap between the light and heavy-chemical industries continued to widen.

Kim Yong-tae of the Bank of Korea said the economy as a whole is growing in a salutary manner, though it has been showing signs of overheating in some areas since the final quarter of last year.

The present pace of growth is expected to continue until the end of the year, he added.

**President Accepts Labor Minister's Resignation**  
*SK2305092895 Seoul YONHAP in English*  
 0911 GMT 23 May 95

[FBIS Transcribed Text] Seoul, May 23 (YONHAP) — President Kim Yong-sam Tuesday afternoon accepted the resignation handed in by Labor Affairs Minister Yi Hyong-ku earlier in the day.

Minister Yi tendered his resignation earlier in the day as he was under probe on bribery charges.

Song Tae-ho, chief secretary to the prime minister, said President Kim is expected to name a new Labor Minister on Wednesday morning on the recommendation of Prime Minister Yi Hong-ku.

Song said President Kim accepted Minister Yi's resignation on receiving a report on it by Prime Minister Yi after he returned to Chongwadae [presidential offices] from a local trip.

The president took part in rice transplantation in Sangju, North Kyongsang Province, as part of a farming day program Tuesday.

The prompt acceptance of the resignation is taken to manifest President Kim's determination to act harshly against any one involved in irregularities regardless of one's position, a government source said.

**First Assistant Minister of Defense Replaced**  
*SK2105005795 Seoul THE KOREA HERALD*  
*in English 21 May 95 p 3*

[FBIS Transcribed Text] The government yesterday dismissed Son Pyong-ik, first assistant minister of defense, and appointed Yang Sang-tae, a retired Army major general, to replace Son.



Yang, 56, had served as director of a military history institute affiliated with the War Memorial Service of Korea since December last year.

Ministry officials said Son recently expressed intention to resign, holding him responsible for the controversy over a plan to prolong the mandatory service term of the Reserve Officers' Training Corps (ROTC) by eight months to three years.

The plan faced strong opposition, and has been shelved by the instruction of President Kim Yong-sam.

**Air Force Chief of Staff Embarks on Tour Abroad**

*SK2105005895 Seoul THE KOREA HERALD*  
*in English 21 May 95 p 3*

[FBIS Transcribed Text] Gen. Kim Hong-nae, Air Force Chief of Staff, embarks on a four-nation visit today

which will take him to Russia, Italy, Spain and England, the Air Force said yesterday.

During his visit, Kim will meet military leaders of the four countries for talks on military cooperation between South Korea and those countries, an Air Force spokesman said.

Kim will return to Seoul June 4.



**Burma****UN Programs Seen Bolstering SLORC Regime**

*BK2305054295 (Internet) BurmaNet News in English  
2249 GMT 18 May 95*

["Position on Humanitarian Assistance to Burma" issued by the "National Coalition Government of the Union of Burma Washington, D.C., Information Office" on 14 May]

[FBIS Transcribed Text] UN AGENCIES — UN agencies have specific mandates and do not take into account factors outside the scope of their mandate. As stated by Mr Herbert A. Behrstoek, Chief of UNDP's [United Nations Development Program] East Asia Division, on 4 May 1996, the UNDP's focus is development. The UNDP does not take into account political considerations. As long as its projects in Burma are "developmental" and can fulfil some "grassroots" needs, the UNDP is not concerned about whether or not its projects are directly or indirectly supporting an illegitimate regime. Likewise, UNICEF is committed to children and its 1996-2000 programme (US\$53 million) in Burma is specifically designed to support the State Law and Order Restoration Council's [SLORC] National Programme of Action for the Survival, Protection and Development of Myanmar's Children in the 1990s. Most of the implementing agencies are also the various SLORC line ministries.

This narrow focus often leads to unacceptable results. For example, in its program, UNICEF is promoting capacity-building for two so-called national NGOs [non-government organizations] — the Myanmar Maternal and Child Welfare Association and the Myanmar Red Cross. It is well-known that these two organizations are semi-official agencies of the regime. Therefore, UNICEF is indirectly contributing to building up the capacity of the military dictatorship. In the UNDP program, village health workers, rural health centres, and township hospitals are targeted to enhance their capacity. While the intention is commendable, all village health workers, rural health centres, and township hospitals in Burma come under the Ministry of Health. Therefore, the UNDP program is also indirectly contributing to building up the capacity of the regime.

Other areas of concern include educational material for remote villages in the Chin and Arakan States. Unless the textbooks and school material are written in the language of the ethnic people in those areas, the UNDP could be accused of promoting SLORC's ethnic assimilation program. This is a serious concern in the ethnic states. The employment by UNDP of nationals who have previously served in other countries as international United Nations Volunteers [UNV],

raises other questions. After 1962 to until recently, Burmese citizens were not allowed to travel overseas. Only a privileged few — state scholars, civil servants, military personnel, and people with military connections — could do so. The UNV from Burma are, therefore, from a select population. Their relationship to SLORC, and their ability to communicate with villagers, etc, could be questioned. The claim that UN agencies and NGOs have full and open access to civil society also raises questions. How valid is this claim? It seems to contradict reports received from credible sources.

Given the present condition under which UN agencies operate, and given that no assistance to the people of Burma can be delivered without indirectly supporting the military dictatorship, the National Coalition Government of the Union of Burma [NCGUB] cannot support the programs of UN agencies in Burma.

The humanitarian crisis in Burma today is a direct outcome of 33 years of military mismanagement. The UNDP acknowledges that "though Myanmar is blessed with abundant natural resources, it remains an LDC [less developed country] with serious pockets of human deprivation" and that the UNDP's efforts "are just scratching the surface." It is, therefore, the contention of the NCGUB that the problems in Burma cannot begin to be addressed without first addressing the root problem which is political. This can best be illustrated by the fact that while UN agencies are talking about the "silent emergency" in Burma, SLORC Chairman Senior General Than Shwe, oblivious to the humanitarian crisis in Burma, made the following speech on Independence Day on 4 January 1995.

"During the period of more than six years of the State Law and Order Restoration Council, firm foundations have been established and all round development has been achieved in the nation's political, economic, social, education and health spheres..."

If SLORC does not acknowledge that Burma is facing a serious humanitarian crisis, how can the UN agencies ever hope to alleviate the situation? Will their best efforts not be thwarted by SLORC's political agenda?

**FUTURE** — Should the United Nations in the future appoint a Special Envoy to coordinate an overall UN program (humanitarian, refugee, development, narcotics, and political), the NCGUB is willing to review and revise its position regarding UN agencies in Burma.

**NON-GOVERNMENT ORGANIZATIONS** — As previously mentioned, given current conditions in Burma, UN agencies and NGOs [Nongovernmental Organizations] cannot avoid relying on SLORC and its line ministries. Decision-making by these organizations depends



to a large extent on how closely tied each individual organization is to the military and SLORC. The closer the ties, the easier it is to implement programs. However, the organization may have to sacrifice its independence in order to achieve goals. It is, therefore, recommended that NGOs contemplating working in Burma consult the Guidelines set by the Burma Briefing, UK, Burma Peace Foundation, and the Australian NGO Forum.

The Burma Border Consortium in Thailand and the Burma Donors Secretariat should also be contacted. In general, NGOs that can implement projects directly with well-informed and trained foreign staff are preferable to NGOs that need national NGOs as implementing partners or have only national staff. The rationale for this preference is that national staff can be subject to more pressure from SLORC and truly independent national NGOs do not exist in Burma.

An alternative to working in Burma, which the NCGUB would like to recommend is working cross-border with the most needy in cease-fire zones, in the liberated areas and on the borders of neighbouring countries.

#### **Indian Ambassador: No Intention of Interfering**

*BK2305032195 Rangoon Radio Myanmar in Burmese 1330 GMT 22 May 95*

[FBIS Translated Text] Lieutenant General Maung Thint, member of the State Law and Order Restoration Council and minister of progress of border areas and national races and development affairs, received outgoing Indian ambassador at the former's office at 1400 this afternoon.

At the meeting, the Indian ambassador clarified that India has no intention of interfering in Myanmar's [Burma] internal affairs; that India wants to work for mutual benefit in the energy, forestry, and mining sectors; noted border development projects in the Gabaw valley and Wapha regions in Sagaing Division, which are being undertaken by the Myanmar Government and that also benefit India; expressed India's interest for cooperation in border development activities; and discussed progress of the Kale-Tamu road renovation works.

#### **Kayan Rebel Leader Said Murdered**

*BK2305051995 Hong Kong AFP in English 0449 GMT 23 May 95*

[FBIS Transcribed Text] BANGKOK, May 23 (AFP) — A leader of Burma's Kayan ethnic rebels who agreed to cooperate with the ruling military junta in Rangoon has been murdered along with his brother, Burmese dissident sources said Tuesday.

A statement from the All Burma Students Democratic Front (ABSDF) confirmed information from diplomatic sources earlier of the death of Gabel Byan, top leader of the Kayan National Guard, and his brother Edward Byan.

Both the ABSDF and the diplomatic sources said the killing was apparently a revenge attack. Gabel Byan was said to have died in Moe Bye town, Kayah state, on April 30.

According to the ABSDF, Gabel Byan had accused Hla Moe, another Kayan National Guard leader, of banditry and sentenced him to death. Followers of Hla Moe subsequently killed Gabel Byan and his brother, the statement said.

Gabel Byan, also known as Comrade Taike Aung, and 100 followers "defected" from the Kayan New Land Revolutionary Council on February 27, 1992, and went into ceasefire talks with the Rangoon junta, the ABSDF said.

Gabel Byan was a delegate attending the junta-sponsored national convention defining a new constitution for Burma at the time of his death.

The ABSDF is among anti-junta political groups operating from the Burma border area with Thailand following a crackdown on pro-democracy forces in Rangoon in 1988-1989.

Rangoon has signed agreements for a ceasefire in exchange for development assistance with all but two of the ethnic rebel groups — the Karen National Union (KNU) and the New Mon State Party (NMSP) — operating around the country's borders.

### **Brunei, Malaysia & Singapore**

#### **Malaysia**

#### **Abdullah Meets With Lao, Albanian Counterparts**

*BK2305065995 Kuala Lumpur THE STAR in English 23 May 95 p 2*

[Report by Hah Foong Lian]

[FBIS Transcribed Text] Kuala Lumpur — Malaysia and Laos will accelerate the setting up of a joint commission to promote trade and economic relations. Foreign Minister Datuk Abdullah Ahmad Badawi said both countries had agreed to expedite the setting up of the Malaysia-Laos Joint Commission.

"An initial plan of action will be carried out while waiting for the commission to be set up," he said after bilateral talks with Lao Foreign Minister Somsavat Lengsavat at Wisma Putra [Foreign Ministry] yesterday.



Among the plans lined up for this action plan, Abdullah said, was the improvement of transportation of goods between the two countries.

He said both sides had agreed to discuss the matter with Thailand at the ASEAN Foreign Ministers' Meeting in Brunei next month.

Being a landlocked nation, he said, the flow of goods to Laos had to be through Thailand.

On another subject, Abdullah said they also agreed that military action to settle the Spratly islands issue must be avoided.

Later, Abdullah held talks with Albanian Foreign Minister Alfred Serreqi.

The talks, he said, focussed on the Bosnian conflict and both ministers shared the concern that the Bosnian conflict might spread to the rest of Europe.

Abdullah said there was a need for new peace initiatives and it should be modelled after the Paris Peace Conference which resolved the Cambodian conflict.

The conflicting parties in Bosnia, he said, should have "direct participation" in peace negotiations, including decisionmaking in international peace efforts.

#### **'Bright' Future Expected for Trade With Laos**

*BK2305103995 Kuala Lumpur Voice of Malaysia in English 0810 GMT 23 May 95*

[Station commentary]

[FBIS Transcribed Text] The future of trade between Malaysia and Laos certainly looks bright. This is based on efforts made by both countries toward increasing the volume of trade, which is still very small compared to Malaysia's trading volume with other countries. In the first 11 months of the year, Malaysia's trade with Laos amounted to only 4.9 million ringgit, with the balance in favor of the Indochinese state. Malaysia sells mainly telecommunications equipment, radio and TV sets, as well as office equipment to Laos, and hydrates, peroxides, and the tin among others.

At the moment, trade between the two countries is hampered due to communications problem, as Laos is a landlocked country without any port facility for cargoes and link. To solve this problem, Malaysia will ask Thailand to be a land bridge in fostering bilateral trade with Laos. The request will be made during the ASEAN Ministerial Meeting, AMM, in Brunei in July. This idea was brought up by Foreign Minister Datuk Abdullah Ahmad Badawi during his meeting with his Laotian counterpart, Somsavat Lengsavat, in Kuala Lumpur. He will bring up the matter with his Thai counterpart as

part of efforts to increase the flow of trade between Malaysia and Laos. This move is necessary to boost the two-way trade, which at present is very small. At present, Malaysia has a reciprocal agreement with Thailand where it allows the movement of goods from Thailand to Singapore through the peninsula. As such, there is no reason why Malaysia cannot use Thailand to move goods to and from Laos. The reciprocal agreement was struck at a meeting of the Malaysia-Thailand Joint Commission here last year.

Another bright prospect towards this effort is the construction of a rail link between Bangkok and Vientiane. Laos will promote Malaysia's trade relations with that landlocked country, as Malaysia and Thailand are already connected by railway. Apart from that, Malaysia and Laos have also agreed to set up a bilateral joint commission as soon as possible to increase cooperation and expand relations in the economic and development fields.

Malaysia has agreed to train Laotian Government officers in various fields, including at the Institute of Foreign and Diplomatic Relations as well as helping teachers specialize in English. Laos is also keen to get expertise from Malaysia in the development and economic fields, especially for agro-based projects such as part of the effort to raise the economic lot of the majority of the Laos population. Malaysia's assistance to Laos in its development efforts is made in the context of regional and South-South cooperation, as a prosperous Laos would mean a prosperous Southeast Asia.

#### **MOU Signed on Housing Program in South Africa**

*BK2305105495 Kuala Lumpur Voice of Malaysia in English 0800 GMT 23 May 95*

[FBIS Transcribed Text] Malaysia, Australia, and South Africa today signed a memorandum of understanding [MOU] to pave the way for a housing program to be implemented in the Republic. The minister of energy, telecommunications, and posts, Datuk Leo Moggie, signed the MOU on behalf the Malaysian Government. The Australian high commissioner to Malaysia, John Dauth, represented his government, while South African Housing Minister Sankie (Mitembi) Nkondo, who is on a five-day visit to Malaysia, signed on behalf of her government. The prime minister, Datuk Sri Dr. Mahathir Mohamed, attended the signing ceremony held at the prime minister's office in Kuala Lumpur.

Datuk Leo Moggie told reporters that housing requirement in South Africa was very high and a feasibility study would be conducted soon so that a housing program could be implemented.



## Indonesia

### Students Protest U.S. Veto in UNSC

BK2305092995 Jakarta MERDEKA in Indonesian  
23 May 95 p 1

[FBIS Translated Excerpt] Jakarta, Monday, MERDEKA — About 7,000 youths and students demonstrated in front of the Embassy of the United States (U.S.) in Jakarta on Monday (22 May). They protested the United States veto of the resolution by the United Nations Security Council [UNSC], which called on Israel to suspend the seizure of 53 hectares of Palestinian land in East Jerusalem.

The peaceful demonstration was staged by youths and students from Jakarta and Bogor under the banner of the Anti-Israel Zionist Front (FAIZ). The demonstrators were from the University of Indonesia, the National University, the Jakarta Teachers Institute, the Trisakti University and several other Islamic education institutions. Teddy, one of the demonstrators, estimated the FAIZ group at around 7,500 persons.

Philips, the assistant for political affairs in the U.S. Embassy, assured three student representatives, namely Sidik, Sanny, and Benny that he would immediately submit their protest to the U.S. ambassador and the U.S. Government.

Sidik said: "I am reluctant to believe that this promise can be honored, considering the fact that it (the United States) has frequently made empty promises to us and the international community."

The FAIZ submitted seven statements, which condemned Israel's seizure of Arab land in East Jerusalem. The statements also urged the United States not to be influenced by the Jews; to take an undivided stand based on humanitarian values, facts, justice, and honesty; and to discard its double standard in all its undertakings regarding issues involving the Islamic world and developing nations in general.

On the other hand, the United States was called upon to stop its support for Israel's occupation of Palestinian lands; to support the Palestinians' struggle for freedom based on their own aspiration, including the recognition of Islam as the basis for their struggle; respect the sovereignty of other nations; refrain from becoming closely involved in the internal affairs of other nations; and give due respect to the United Nations as an organization for discussions without exercising its veto right.

The FAIZ stated that Israel's move to seize the land further invalidated its claim on Jerusalem as its capital. Such a step could endanger the existence of the Al Aqsa Mosque.

The FAIZ said: "Israel's action, which is supported by the United States through exercising its veto right, is an insult to the international Islamic community in the form of disrespect and the violation of the UN resolutions on Palestine."

The throngs of demonstrators yelled chants of the Islamic struggle and sang nationalist songs atop a Toyota Hiace automobile bearing the police registration number B 9917 BC.

Meanwhile, security personnel were on the alert and kept the crowd well under control. They were there to carry out their duty to ensure that no untoward incidents occur.

A similar demonstration was also staged in front of the Gajah Mada University Youth Complex, Yogyakarta, where about 400 students calling themselves the Gem-pur AS group, The Islamic Movement of Anti-U.S. Interference.

The group considered the United States veto of the resolution childish and absurd.

### Editorials View U.S. Veto of UN Resolution

BK2305015795

[FBIS Editorial Report] Two dailies, REPUBLIKA and KOMPAS, carry editorials about the U.S. veto of the United Nations Security Council [UNSC] resolution calling on Israel to return the eastern part of Jerusalem to Palestinians.

Jakarta REPUBLIKA in Indonesian on 20 May publishes a 700-word editorial on page 6 entitled: "The U.S. Veto in the UN." REPUBLIKA notes that "as a result of the powerful veto exercised by the United States, the United Nations Security Council's resolution urging Israel to return the 53-hectares of Palestinian land in East Jerusalem has been nullified. In fact, the resolution to return the land was already agreed upon by all the members of the UNSC — 10 nonpermanent members, including Indonesia, and four other permanent members."

The editorial notes: "Madeline Albright, the U.S. ambassador to the UN, thought the UNSC resolution did not contribute anything worthwhile to the situation. The United States, however, desires the settlement of the Arab-Israel conflict. On the other hand, it was worried that the resolution it vetoed will further frustrate the issue."

The editorial adds: "However, in connection with the latest development, a ray of hope was seen — the 'ray of hope' was the result of great sacrifices made by Palestine. As a matter of fact, Yasir 'Arafat, the PLO



leader, was even willing to personally act as a 'bumper, despite being accused of selling Palestine for the sake of achieving peace while facing numerous threats on his life.' 'Arafat did all of this in the hope of achieving success or at least implement a solution for peace.

The editorial also says: "Besides, it will be unfair if Palestinians were urged to continuously make greater sacrifices. Should there be a third country willing to act as a mediator, the essential goal in this effort should be a settlement of the conflict that will bring mutual benefit and not only benefit to Israel."

The editorial concludes: "With the veto by the United States, it is only pertinent if Palestinians lose their confidence and trust in the United States as the mediator for the conflict. This means that what the United States did was only a set back in the peace process. Or could it be that such a move was pre-planned?"

Jakarta KOMPAS in Indonesian on 20 May publishes a 900-word editorial on page 4 entitled: "The U.S. Veto Is Considered One-Sided in the Middle East Issue." The editorial says: "Frustration and anger were widely pervasive among the Arab community due to the veto by the United States on the UNSC resolution which called on Israel to vacate the eastern part of the holy city of Jerusalem. We are worried about the U.S. veto because it could affect the Middle East peace process and make it more complicated."

The editorial notes: "The veto by the United States on Wednesday, 17 May, was an unexpected climax to the demanding debate held since Friday last week. The voting by the 15 UNSC members was considered dramatic. Fourteen members, including Indonesia, voted for the resolution but this was overturned by just one veto by the United States."

The editorial adds: "The Arab community thought that the U.S. veto explicitly indicated that the country was supportive of Israel, irrespective of whatever justifications it makes. Several parties were also utterly disappointed, particularly the Arabs. Thus, the U.S. position and role in the Middle East peace process was again jolted."

The editorial further adds: "In fact, the veto by the United States is evidence that the country's attitude is deeply rooted and absolutely remains unchanged. The United States will definitely stand by Israel in its Middle East policy. It is very frustrating to witness the Arab-Palestine community's loss of confidence in the United States as the mediator."

The KOMPAS editorial concludes: "However, the veto right exercised by the United States is considered testimony of how difficult it is for a superpower to

uphold its neutral position in facing the Middle East question. Apparently, we can also presume that the U.S. still command a strong influence in the United Nations via its lobby — thus, prompting the United States to exercise its right to veto."

**Suharto, Keating Reaffirm Support for APEC**  
*BK2305012095 Jakarta ANTARA in Indonesian*  
1303 GMT 22 May 95

[FBIS Translated Text] Jakarta, 22 May (ANTARA) President Suharto and Prime Minister Paul Keating agreed that Indonesia and Australia will fully implement the Bogor Declaration issued at the AELM [Asia-Economic Leaders Meeting] economic leaders meeting in Bogor in 1994.

"The two leaders also agreed to ensure the success of the upcoming APEC summit in Osaka, Japan," Mr. Suharto and State Secretary Mardiono told reporters on Cass Street [President Suharto's residence] on Monday.

President Suharto and Prime Minister Keating had a telephone conversation lasting almost 35 minutes on Monday to discuss the implementation of the Bogor Declaration and preparations for the Osaka summit.

According to Mardiono, it is correct for the two leaders to discuss the results of the Bogor summit that took place six months ago and preparations for the upcoming APEC summit to be held six months from now.

The two leaders earlier agreed to hold telephone talks to exchange informal views on various bilateral, regional and international issues.

The 1994 Bogor summit was attended by 18 members — the six ASEAN members, Australia, New Zealand, Japan, the United States, Papua New Guinea, Mexico, Chile, the PRC, Hong Kong, Taiwan, and South Korea.

When asked about the implementation of free trade by 2010 for developed APEC members and in 2020 for developing APEC members, Mardiono reaffirmed that the timetable agreed during the Bogor summit was certain.

"The years 2010 and 2020 were clearly stipulated in the declaration [words indistinct]," the minister and secretary said.

When asked about the trade war between the United States and Japan, both of whom are APEC members, he said: "I dare not say that there will be no impact on the settlement of trade disputes was stipulated under the 1994 Marrakech meeting."



The United States and Japan are facing a serious problem due to the U.S. demand that the land of the rising sun open its market wider to foreign goods, particularly U.S. cars.

When asked whether the two leaders discussed bilateral issues, Murdiono said that they were discussed in general.

#### Strategy for South China Sea Dispute Reviewed

BK2305021895 Jakarta KOMPAS in Indonesian  
22 May 95 pp 4, 5

[Article by Arto Suryodipuro, an observer on international affairs: "Indonesia's Strategy and the South China Sea Dispute" — Italicized passages in English]

[FBIS Translated Text] We should welcome the U.S. Administration's policy toward the growing tension in the South China Sea. The *United States policy on the Spratlys and the South China Sea*, which was announced in Washington on 11 May 1995, has been the firmest yet on the matter.

The U.S. policy once again endorses the 1992 ASEAN Declaration on the South China Sea and says that the maritime claims or restrictions on maritime activities in the South China Sea will cause serious complications if they do not conform with the 1982 UN Convention on the Law of the Sea. Therefore, the U.S. policy conforms with Indonesia's basic strategy on the South China Sea, which is consistent with the 1982 convention.

Indonesia's diplomatic and military strategy on the growing tension in Southeast Asian waters seems to be readjusted in the wake of new developments. It was reported on 10 April 1995 that the Indonesian Government made an official representation to the PRC Government nine months earlier over why the Indonesian-owned Natuna natural gas field is included in the map of the South China Sea areas claimed by Beijing.

#### Rapid Changes

The world is witnessing rapid and basic changes as a result of the collapse of the bipolar structure which marked the end of the Cold War era. Theoretically, the collapse of a world order will prompt countries to pursue their respective national interests without being tied to the previous principles or values. A balance of power and national interests, rather than international law and trust, will gradually become basic values in the current multipolar world order marked by trends toward political regionalism.

Countries are seeking to define their respective international roles under the current international system. In

principle, the strong will try to dominate the weak, while the weak will face the strong by establishing a diplomatic and military coalition to boost their respective national strength.

The tension in the South China Sea has showed trends in the post-Cold War era. The PRC, as the largest and strongest country in the region after the disintegration of the Soviet Union and the U.S. withdrawal from the Philippines, is the most dissatisfied party with the status quo due to its very illogical demands in the region.

#### Strategic Significance

The South China Sea, which stretches from the southwest to the northeast or from around the equator between Sumatera and Kalimantan (Karimata Straits) to the Taiwan Straits, covers about 4 million square kilometers of waters. On 25 February 1992, the PRC president ratified the *Law of the People's Republic of China on the Territorial Sea and the Contiguous Zone* passed in the 24th meeting of the seventh National People's Congress Standing Committee. The claim to the South China Sea and islands within the sea is based on historical argument.

The South China Sea is significant for three strategic reasons. First, the South China Sea has abundant natural resources — biological resources, mineral resources, and oil and natural gas. Several observers have attributed the PRC claim to the whole South China Sea to China's need for natural resources to support its economic growth and feed its growing population (estimated at 1.5 billion in 2025).

Second, the South China Sea is a very strategic sea channel which connects the Pacific Ocean with the Indian Ocean. Domination over the South China Sea will drastically increase the PRC's political leverage. Other countries in the region are aware of this. The recent firm U.S. statement emphasized its concern over the freedom of navigation in the sea. The South China Sea serves as a very important trade lifeline for Japan. Even India, in an annual report of the Ministry of National Defense, expressed its concern about tension in Southeast Asian waters. Southeast Asian countries themselves regard the South China Sea as an anchor for regional stability.

Third, a *crescent of new wealth* has been created under the geoeconomic constellation of the South China Sea. The Philippines, Indonesia, Malaysia, Singapore, Vietnam, Taiwan, and Hong Kong, which are situated around the South China Sea, are rapidly growing economies where ethnic Chinese play a central role. If the PRC controls the South China Sea, it will be able to control the immense wealth of the ethnic Chinese.



The PRC's strategy itself is inconsistent. On the one hand, diplomatic statements have said that the PRC intends to settle the matter by peaceful means and is ready to cooperate with other countries in exploiting the resources of the South China Sea while awaiting a settlement. On the other hand, the PRC has gradually and systematically increased its military presence and occupied islands in Southeast Asian waters — its recent occupation of Mischief Reef being the latest case.

#### Indonesia's Strategy

The principles of a *multipolar balance of power* seem to be gradually becoming the basis of international relations in the post-Cold War era in which bigger countries tend to dominate smaller and weaker countries. Under the principles of a multipolar balance of power, a country which has become too strong will pose a threat to its neighbors and they will in turn undertake diplomatic and military cooperation to face the potential threat.

Under the system, a relatively big and influential country is needed to undertake diplomatic and military cooperation with smaller countries. This pattern existed in Europe a century ago or two where Britain played the role of a *balancer* against France and, subsequently, Germany became too strong in the continent.

The Preamble of the 1945 Constitution requires Indonesia "...to join in efforts to achieve world order based on independence, eternal peace, and social justice..." Meanwhile, the Broad Outline of State Policies states, among other things, that "...the ability to anticipate and adjust ourselves to global developments, changes, and upheavals should be enhanced through higher diplomatic skills and an appropriate approach in accordance with national interests..." and "...cooperation among the ASEAN members...should be further enhanced to strengthen the national resilience of each member as well as regional resilience to turn Southeast Asia into a zone of peace, freedom, neutrality, and prosperity and a nuclear weapons-free zone."

The foreign policy of the Republic of Indonesia is partly based on our national assets — Indonesia's large size, strategic location, large population (about 190 million people whose skills are being further developed), and huge natural resources. In the history of the mankind, big countries have virtually played a major role and exercised a great influence at least in their respective regions.

Indonesia has taken strategic steps to face instability in the South China Sea. Indonesia plans to turn Greater Natuna Island into the largest resettlement location. The government will cooperate with the private sector in opening palm oil and rubber plantations and raising

prawns and fish to feed the resettlers. A palm oil plantation covering an area of 15,000 hectares will reportedly be opened to support 10,000 resettler families. The efforts will reaffirm Indonesia's sovereignty and the islands will serve as an outer defense line.

Meanwhile, air patrols in the Natuna Islands and their surrounding waters will be further increased. The air force can use F-5 and F-16 fighters based in Medan, A-4 fighters in Pekanbaru, and Boeing-737 and Nomad surveillance aircraft stationed in Ujungpandang. Greater Natuna Island itself has a runway on which F-5 fighters can land. Next year, Indonesia will receive 18 Hawk fighters from Britain and there have been plans to increase the number of Hawk aircraft. The purchase of former East German warships is also a strategic measure. The procurement of sophisticated military hardware and software and their supporting facilities is indispensable in the face of the growing uncertainty in the world.

Indonesia also adopts a *preventive diplomacy* and takes *confidence-building measures* to face the unending dispute in the South China Sea. Indonesia has held a series of *workshops on managing potential conflicts in the South China Sea*. The workshops were held in Bali (1990), Bandung (1991), Yogyakarta (1992), Surabaya (1993), and Bukittinggi (1994) respectively.

#### ASEAN's Role

ASEAN is not becoming less important for Indonesia in the current globalization era. The opposite is true. In particular, Indonesia is making efforts to lead South-east Asian countries in achieving the objectives of the 1971 Declaration on the *Zone of Peace, Freedom, and Neutrality*. The declaration states, among others, that "Southeast Asian countries must cooperate in expanding areas of cooperation to strengthen their power, solidarity, and intimacy."

The declaration was reaffirmed in the Declaration of ASEAN leaders in Singapore in 1992, which said, among others, that "ASEAN shall move towards a higher plane of political and economic cooperation to secure regional peace and prosperity." Based on this thinking, the current politico-security priority of ASEAN as an entity is how to face Beijing's intentions in the South China Sea.

The position was manifested in the 1992 ASEAN Declaration on the South China Sea which emphasized the need to "settle all problems pertaining to the sovereignty and jurisdiction over the South China Sea by peaceful means, not the use of force."

The declaration was reaffirmed by a 18 March 1995 statement issued by the ASEAN ministers of foreign



affairs on the latest developments in South China Sea in the wake of the PRC-Philippine tension. The ministerial meeting of the Nonaligned Movement Coordinating Bureau, which was attended by 98 members in Bandung recently, clearly supported the ASEAN position.

The PRC claim to the whole South China Sea is unacceptable and indicates its intentions which will jeopardize the stability of Southeast Asia in the future. Indonesia is in a position to lead other Southeast Asian countries and countries outside the region, like Australia, in facing the threat. Diplomatic and military means should be gradually based on the principles of a balance of power.

The principles of the *balance of power* are not designed to create an arms race or widen the dispute. The principles of the *balance of power* are instead designed to create real and sustainable peace and stability in the region, in which the regional countries are constantly interested. This paradox may realize the mandate of the 1945 Constitution.

## Laos

### Analyst Views U.S. Lifting of Sanctions

BK2305054095 Bangkok BANGKOK POST (INSIDE INDOCHINA Supplement) in English 23 May 95 p 1

[FBIS Transcribed Text] The announcement by the United States that it is lifting a 20-year-old ban on aid to Laos closes a final, bitter chapter between the former enemies.

But the lifting of the ban is realistically seen by both sides as more symbolic than marking the start of an influx of US aid to Laos. It is no secret worldwide that US aid is facing serious budget cuts.

Winston Lord, assistant secretary of state for East Asian and Pacific Affairs, and Stanley Roth, National Security Council senior director for Asian Affairs, broke the news to Laotian Foreign Minister Somsavat Lengsavat at a meeting in Vientiane last week.

The two US officials, who were part of a top-level presidential delegation to Laos on May 17-18 for talks on American servicemen missing in action during the Vietnam War, made it immediately clear that the lifting of the ban did not guarantee new funding for Laos.

Hershel Gober, deputy secretary of Veterans' Affairs, and James Wold, deputy assistant secretary of Defence for POW/MIA Affairs, were also in the delegation.

An informed analyst said the US decision was made following a request by a Laotian delegation who visited Washington a few months ago. The members reminded the US the ban had become irrelevant two decades after

the end of the Vietnam War and the victory of the Laotian communist party.

The US has also maintained a diplomatic mission in Vientiane since 1975.

The analyst said the US could understand the situation of Laos which feels insecure solely because of its geography — landlocked between much bigger neighbours: Thailand, Vietnam, Burma and especially China, and needs a friend to ease its overwhelming neighbourly relations.

The US also wants to support Laos' economic reforms and open-door policy as the region becomes more economically dynamic.

"The US wants to give it confidence," the analyst said.

Laotian Foreign Ministry spokesman Thouan Volasan said: "Laos welcomes the decision. It represents a new chapter in Laotian-US relations."

He said Laos did not know how much aid it could expect from the US after the lifting of the ban was officially endorsed by the US Congress.

"At least, the lifting of the ban has brought about direct contact (in aid) between our two countries," he said.

In the past, the US has extended minimum humanitarian aid both directly and indirectly, but mainly through international aid agencies.

And it was not uncommon for Laos to voice its disappointment through its state-controlled media at the US failure to extend assistance to the country, despite Vientiane's help in accounting for American servicemen missing in action.

The same analyst said the US was satisfied with Laos' cooperation in two key areas, accounting for American servicemen missing in the war and narcotics suppression, which contributed to the decision to lift the ban.

Since early this year, Laos has agreed to an "accounting" mission of US, Vietnam and Laos in remote areas of the country whereas in the past Vientiane has been very cautious about any activities by foreign military personnel on its soil.

The analyst explained Vietnamese military personnel were needed on the missions because they operated in certain areas of Laos during the war and maybe could pinpoint the last location of some of the American servicemen still unaccounted for.

The analyst also said that early this year Laos had agreed to share relevant military archives with the US, whereas



before it was wary of US intentions in looking through its documents.

"All the US wants is documents relevant to US servicemen," he said.

Whether the lifting of the ban will lead to closer and expanded ties between the two former enemies is up to Laos, according to the analyst.

Laos was going at "Lao pace" in everything it did, he said.

He cited a US offer to send a mission to Xieng Khouang province, formerly a stronghold of the Laotian communists and the site of the largest concentration of unexploded mines and bombs in the country, to work out a plan to clear the area. So far, Vientiane has not replied.

There is still some uneasiness about foreign military activities in the country, according to the analyst.

The US is willing to strengthen its relations with Laos. It has already opened talks on extending Most Favoured Nation status and Laotian officials are taking time to study the documents.

The willingness is also there on the Laotian side and, as usual, Laos wants to take it a step at time. In the meantime, the symbolism of the lifting of the ban will certainly help give Laos the confidence to go on with its economic reforms and to find a secure position among its bigger neighbours.

#### **Vice Premier Meets Economic Working Group**

*BK1905144495 Vientiane KPL in English*  
0920 GMT 19 May 95

[FBIS Transcribed Text] Vientiane, May 19 (KPL) — Khamphoui Keoboulapha, vice premier, president of the Committee for Planning and Cooperation of the Lao PDR [People's Democratic Republic], on May 18 received here a delegation of the Working Group on Economic Cooperation in Indochina, led by its vice chairman, Noboru Hatakeyama.

During the talks, Vice Premier Khamphoui Keoboulapha expressed satisfaction over the visit of the delegation to Laos and hoped that the visit would contribute to the promotion of relations and cooperation in the fields of trade between Laos and the group.

The delegation arrived here on the afternoon of May 18. It was welcomed by Mrs. Khempheng Phonsena, vice-president of the Committee for Planning and Cooperation, and other senior officials concerned.

During its two-day visit, the delegation will also meet with the Lao ministers and some important senior officials.

#### **Assembly Chairman Returns From PRC, DPRK**

*BK1905135195 Vientiane KPL in English*  
0923 GMT 19 May 95

[FBIS Transcribed Text] Vientiane, May 19 (KPL) — Saman Vi-gnaket, president of the National Assembly of the Lao PDR [People's Democratic Republic], his wife and his delegation returned here on May 18 after a visit to the People's Republic of China and the Democratic People's Republic [DPR] of Korea, at the invitation of the Standing Committee of the Chinese National People's Congress (NPC), and the Supreme People's Council of the DPR of Korea from May 4-18.

An official welcoming ceremony for their return was held at the National Assembly with the presence of Khambou Sounisai, vice president of the National Assembly and head of its Law Commission, Vongphet Saikou-yachongtouna, vice president of the National Assembly and head of its Ethnic Commission and other high-ranking officials.

Li Jiazhong, ambassador extraordinary and plenipotentiary of the PDR [People's Democratic Republic] of China, and Kim Ung-cho, ambassador extraordinary and plenipotentiary of the DPR of Korea to the Lao PDR, were also present at the ceremony welcoming them home.

### **Thailand**

#### **Trade Official Defends Countertrade Practice**

*BK2305104995 Bangkok PHUCHATKAN in Thai*  
23 May 95 p 3

[FBIS Translated Text] Ministry of Commerce — Commenting on remarks made by the consul attached to the EU Commission that Thailand's countertrade practice violates the GATT agreement, Mrs. Bunthipha Simasakun, deputy director general of the Foreign Trade Department, said she consulted with officials of the Business Economics Department on this issue and they are convinced that the trade policy does not run counter to the GATT principles.

She said Thailand has applied the policy impartially to both Thai and foreign companies, but on a voluntary basis. Any company that wants to trade in this manner is required to submit an application to the Countertrade Subcommittee.

Regarding the allegation that Thailand's countertrade policy is ambiguous and unevenly applied, the deputy



director general of the Foreign Trade Department stressed that the Countertrade Subcommittee has never applied the policy selectively, as stated by the EU representative. For instance, no specific company was selected to enter the bidding for Provincial Electricity Authority's purchase of a garbage incinerator.

There are exceptions for some big projects, however. The agencies in charge must screen for the companies that make the best offer.

Thailand has applied the countertrade policy equally to all countries. So far, it has never come across any problem.

#### **Editorial Criticizes China on Spratly Issue**

*BK2005112095 Bangkok THE NATION in English  
20 May 95 p A4*

[Editorial: "Beijing Holds Key to South China Sea Spat"]

[FBIS Transcribed Text] The Spratly islands are fast shaping up as a litmus test of China's intentions in the region.

Its severe response on Tuesday to a Philippines-organized press tour to the disputed Mischief Reef — Beijing warned Manila it must bear the consequences if such "reckless moves" are repeated — was provocative and alarming.

Since the pullout of American forces from the Philippines in 1991, China has pledged it would not be seeking to replace the US as the pre-eminent power in the Pacific or establish any form of "hegemonical control" over the region. Furthermore, it has repeatedly stressed the economic importance of Asean and how it wants to build strong economic links.

But with its aggressive pursuit of its claims to the vital South China Sea area, Beijing risks singlehandedly destabilizing the entire region.

The security situation has deteriorated markedly since 1992, the year Asean issued a declaration urging all parties to do nothing to upset the status quo and to search for ways to settle the complex conflict peacefully.

Since then China has tested its wide-ranging claims with increasing assertiveness.

It has awarded oil drilling concessions within Vietnam's exclusive economic zone, published national maps that include the Indonesia's Natuna islands and most recently started building structures close to the Philippines.

The claim on Mischief Reef is most perplexing because it is so brazenly provocative. Situated only 160 nautical

miles off the Philippines' western coast, it is some 3,000 nautical miles from the nearest piece of Chinese mainland.

The question of what exactly are China's intentions has taken on a burning urgency.

It is uncertain, for example, whether the recent moves in the Spratlys reflect the power plays going on in Beijing as a result of paramount leader Deng Xiao Ping's demise or signal a high-level decision to press China's historic claims not only to the islets but also to the entire South China Sea.

Chinese officials say the Spratlys are part of Greater China separated in the colonial period and their mission is to return these parts to China. It claims it has "indisputable" historic documents to prove past occupation although it has never produced them. Foreign China scholars say they have never come across any evidence to back up the Chinese position.

Asean officials — including those from non-claimant states — have made it clear to China that they are worried by its occupation of Mischief Reef and its other sorties throughout the region. China has yet to offer any signs of flexibility, saying only that it will discuss its claims on a bilateral basis — an unrealistic position given the number of overlapping claims to be addressed. Obviously this is not good enough and if China can not do any better to assuage the region's anxieties then the issue will surely come to a head at the Asean Regional Forum security conference in July.

The ARF is still too weak as an institution to handle any substantive talks about the overlapping claims and it could be easily crippled at an early age if the July meeting were to degenerate into finger pointing session.

But the forum could provide a good starting point for negotiations that are obviously going to take a long time to settle.

If it is to be a success though, the key will be Beijing. China is a natural leader in the Asia-Pacific, but if it wishes to be a power, it has to be sure of its moral position. And in the Spratlys its dubious claims have so far been reinforced with little more than muscle.

#### **'Constructive Engagement' Toward Burma Fails**

*BK2305100095 Bangkok BANGKOK POST (INSIDE INDOCHINA Supplement) in English 23 May 95 p 2*

[Report by Nutsara Sawatsawang and Phanrawi Tan-suphaphon]

[FBIS Transcribed Excerpt] The so-called constructive engagement policy toward Burma does not work.



It has foundered because the internal affairs of the multi-ethnic country are complicated and because those implementing the policy, individual countries and ASEAN as a whole, have their own agendas.

The policy to befriend Burma was launched by the Chatchai Chunhawan administration in 1988, the year which saw civilian uprisings in Burma and the takeover by the State Law and Order Restoration Council (SLORC).

No one can dispute the policy's stated aims, which were both political and economic from the outset: to bring about peace and stability; to draw Burma away from China's influence; and to foster economic progress. The beneficiaries were to be Burma and the region as a whole.

The way to achieve these aims was through "engagement" — not isolation — and more critically through "non-interference".

The policy also was to serve as a link between Burma and the international community to ensure the junta received some exposure to the principles of democracy, human rights and a market economy and adapt at its own pace.

What went wrong in the seven years since the policy was launched?

An ASEAN diplomat said that by implementing the policy, ASEAN has become a shield for the SLORC's track record, and also a "spokesman".

The principle of "non-interference", which is based on ASEAN's own human rights records and nature not to comment on a neighbour's domestic policy, did not exert the pressure needed for change by the SLORC.

There were also no benchmarks. ASEAN was never clear in what it wanted from the SLORC — full democracy, a ceasefire with ethnic minorities, or just the unconditional release of dissident leader Aung San Suu Kyi, the diplomat said.

At the United Nations, Burma is nearly a non-issue, unlike the tough resolutions passed against countries like South Africa.

But Chanwit Kasetsiri, rector of Thammasat University, puts the main blame on the economic component of the policy.

According to Thailand's Office of Commercial Affairs in Rangoon, as of March 31, there were 107 foreign projects in Burma with a total investment of US\$2.23 billion.

Britain, France, Singapore, the United States, and Thailand are the top five investors in Burma.

The figures come as no surprise. The policy was initiated about the same time as Chatchai's famous "from battlefield to marketplace" policy, which saw Thai businessmen and adventurers set off to reap profits from neighbouring countries.

Chanwit argues that the policy has helped strengthen the SLORC, while, at the same time it has enriched Thai businessmen and politicians who have taken advantage of Burma's natural resources, as well as its cheap and illegal labour which fled to Thailand to escape SLORC persecution.

"It is like a policy of a private enterprise, not a state, because it not guarantee peace and security for the local people living along the border," he told INSIDE INDOCHINA.

He referred to the recent incursions by the Democratic Kayin Buddhist Army (DKBA) faction, a breakaway group of the Karen National Union, into Thai territory, which have caused death and destruction.

The same ASEAN diplomat does not deny the argument and adds that "no one wanted to lose the chance. If they do not trade with Burma, others will, not only ASEAN business interests but also western countries. If there is economic progress and political stability in Burma, Thailand will benefit".

Another academic, while supporting the principles of the policy, blames disunity among Thai state agencies for its poor implementation.

Chaiyachok Chunlasiriwong from the Political Science Faculty of Chulalongkon University cites a lack of coordination between agencies such as the Foreign Ministry, the National Security Council (NSC) and the Interior Ministry including the Thai Army.

Thailand shares a 2,400-kilometre border with Burma and coordinating committees operate at various levels, including a committee to demarcate the border.

Chaiyachok argues that these agencies cannot distinguish between their own institutional interests and those of the nation. He cites the NSC which is using one single individual to oversee all matters related to Burma — SLORC and the minorities.

He also questions whether there are any "mysterious" forces behind the close relationship between the Thai army and SLORC.

An observer notes that should incursions occur on the Thai-Cambodian border, the Thai Army immediately reacts strongly, but not on the Burmese border.



In the past few weeks, after failing to prevent incursions, the Army has even played down the issue of violation of Thailand's sovereignty.

On the domestic front, Chanwit argues that the theory that economic progress will bring about political change in Burma does not work.

He said that from an historical viewpoint, Burma's economy has been highly centralised by the ruling military government for a long time.

Thailand's middle class grew during the dictatorship of Field Marshall Sarit Thanarat and eventually gathered the strength to overthrow the military government in 1973. But Burma's economic system was destroyed during the 26 years of Gen Ne Win's Revolutionary Council government, Chanwit said.

Chanwit said the nature of the Burmese army was violent. It disregarded peaceful means because its leaders were trained under the Japanese Imperial Army during World War Two.

Thai Foreign Ministry officials interviewed by INSIDE INDOCHINA said Thailand had to face reality.

It must live with Burma and deal with the SLORC for the foreseeable future as the regime is likely to be able to stay in power.

The officials maintain the key to resolving problems between Thailand and Burma is not to review the policy, but for the Thai Government to reaffirm the stated aims of the policy and to identify the steps to achieve them.

#### **Officials View Border Blast; Refugee Issues**

BK2305050395 Bangkok THE NATION in English  
23 May 95 p A6

[FBIS Transcribed Text] Chiang Rai — The provincial governor called an emergency meeting of security officials yesterday after an explosion ripped through the Burmese side of a border bridge.

No injuries were reported. But the incident caused great concern on the Thai side which has had strained relations with the Burmese over the past few weeks, officials said.

The early morning blast, reportedly caused by a planted bomb, seriously damaged the bridge crossing the Sai River in Tambon Mae Sai, Mae Sai district.

"We have contacted Burmese officials to tell them that Thailand had nothing to do with the incident," said Mae Sai district chief Phakdi Rattanaphon.

Provincial Governor Khamron Bunchoet headed a four-hour meeting of border security officials. After the

meeting he told reporters it was still not known who was responsible for the incident.

Sources said Khamron ordered intelligence officials to find out the culprit. They said the Thai officials suspected that certain Burmese military elements might have tried to "create a situation", or traders affected by the border closure could have been responsible.

Meanwhile, Rangoon has agreed to take back thousands of Karen refugees living in Thailand and provide them with accommodation in government-controlled areas in Myawadi, opposite Mae Sot District in Tak province, said the Secretary-General of the National Security Council (NSC) Charan Kunlawanit.

The agreement was conveyed to Army Chief Gen. [General] Wimon Wongwanit by Gen. Maung Aye, deputy secretary-general of the State Law and Order Restoration Council. Wimon attended an NSC general meeting chaired by care-taker Prime Minister Chuan Likphai yesterday.

According to Charan, Rangoon was given one billion yen worth of humanitarian assistance by the Japanese government to resettle Burmese minorities.

On March 17, Tokyo agreed to resume its humanitarian Official Development Assistance programme to Burma after being suspended in 1988 when Rangoon crushed the Burmese pro-democracy movement. The assistance package will be used for agriculture purposes as well as to provide relief aid to Burmese minorities.

The NSC chief said the government will seek cooperation from international aid agencies, in particular the United Nations High Commissioner for Refugees, to provide assistance to the refugees after they return to Burma.

"If the returnees face persecution, the international community will share the burden of condemning the Burmese government," he said.

The NSC yesterday called a general meeting among relevant authorities to review the general conditions along the border between Thailand and its neighbouring states and to discuss coordinated efforts to deal with the insecurity on the Thai-Burmese border.

Charan said the meeting adopted a number of measures that will seal the fate of about 80,000 Burmese and Karen refugees who have lived in Thailand for a long time and others who have fled fighting inside Burma since February.



**Burmese Tanks Said Deployed Near Border***BK2005153895 Bangkok MATICHON in Thai  
20 May 95 p 10*

[FBIS Translated Text] A correspondent report from the fighting zone opposite Mae Sot District, Tak Province, on 19 May, said that, based on a report provided by Karen forces operating in Pa-an and Kawkareik, the Burmese Government had dispatched 60 Chinese-made tanks with a number of artillery pieces and ammunition to the village of Thingan Nyinaung in Kawkareik, which is about 9 km from the Thai border in Mae Sot District.

The report indicated that the deployment of weapons and forces by Burma might be because it has learned about Thailand stationing thousands of troops, armed with artillery pieces, along the Thai-Burmese border in Phop Phra and Tha Song Yang Districts in Tak. This is the first time the Burmese Government has deployed tanks in an area so close to the Thai-Burmese border.

Meanwhile, a high-level source of the Karen National Union [KNU] quoted General Bo Mya, leader of the Karen's independent movement, as saying that the Karen Army would continue fighting with the Burmese Government and would not bother about negotiating for a ceasefire with Burma.

Concerning the situation along the Thai-Burmese border in Mae Sot District, Tak Province, the report says the border remained closed by Burmese authorities. Thai soldiers stationed in Tha Song Yang and Phop Phra Districts in Tak Province are ready to prevent any incursions by foreigners in violation of Thailand's sovereignty.

**Police To Crack Down on Right-Wing Lao Groups***BK2205041095 Bangkok BANGKOK POST  
in English 22 May 95 p 1*

[FBIS Transcribed Text] The National Security Council (NSC) supports the Police Department's plan to launch a drive against right-wing Laotian groups and repatriate Hmong tribesmen illegally entering Thailand for the sake of national security and the country's relations with Laos, according to a highly-placed government source.

The NSC and the Police Department have reportedly coordinated efforts to step up security and closely watch Hmong tribesmen staying along the northern border provinces, especially at holding centers in Phayao Province.

If these Hmong are allowed to stay in the country, Laos could suspect Thailand still supported the right-wing Laotian group of Gen [Genreal] Vang Pao, said the source.

Gen Vang Pao, former commander of the Hmong army in Laos, and now in the United States, allegedly sent three of his right-hand men to Thailand to work with Hmong at northern holding centers in Thailand to urge them to resist repatriation, said the source.

**Impact of Political Uncertainty on Investors***BK2005110295 Bangkok BUSINESS DAY in English  
20-21 May 95 p 1*

[FBIS Transcribed Excerpt] Leading figures in the private sector told BUSINESS DAY that the implementation of major infrastructure projects and capital inflow from Japan may be hit by yesterday's dissolution of the House of Representatives.

Prime Minister Chuan Likhai called an election yesterday to avoid defeat in a no-confidence debate over the land reform scandal.

Wikrom Kromdit, managing director of Bang Pakong Industrial Park, said many Japanese investors, mainly in the electronics and auto sectors, were finalizing decisions on where to relocate their factories to avoid the effects of the strong yen.

The political upheaval may cause some of the investors to turn to Malaysia or even the Philippines, he said.

Suphot Kittisuwan, senior director of banking at the Bank of Thailand, confirmed that the dissolution of the House might delay the implementation of the Financial Master Plan, which contains a package of reforms.

Deliberation of the 1995 budget would have to be postponed for a few months until a new parliament had been formed, Mr Suphot said.

Mr Chuan, leader of the Democrat Party, yesterday sought approval from His Majesty the King to dissolve the House of Representatives and call general elections for July 2.

The government collapsed after the Phalang Tham Party (PDP) announced it would abstain in the no-confidence vote.

The House dissolution was announced at 12.30 pm, one hour before the vote, after it became apparent that the Government would lose.

Prayun Thaloengsi, executive director of the Thai Chamber of Commerce, backed Chuan's move to dissolve the House but said it would have a short-term impact on the economy because it was likely to cause delays in public and private sector projects.

The implementation of the Financial Master Plan, the telecommunications liberalization policy and 1.9 million



telephone line project would be delayed as they come under review by the new administration, he said.

The continuity of fiscal and monetary policies will depend on whether the Democrat Party is returned to power, he said. The Chat Thai and Chat Phatthana parties, leading candidates to lead a new coalition government, are believed to favor more aggressive growth policies than the Democrats, analysts said.

Political leaders unanimously agreed that no single political party, including the Democrats, would win a majority of seats in the House and be able to form a single-party government.

It is almost certain that a coalition government would emerge after the elections, made up of perhaps three to four parties, they said.

It has become a tradition that the party which wins the greatest number of seats is given the chance to form a coalition government. However, political analysts believed that there was a possibility that the other parties may combine to form the new coalition government, even if the Democrats were to win the greatest number of seats.

The Democrats' electoral chances may have been damaged by the relentless accusations from opposition members that some elements in the party abused a land reform program to benefit associates and relatives.

The PDP, whose withdrawal from the coalition forced Prime Minister Chuan to dissolve the House, is likely to try to capitalize on the Democrats' perceived failure to clear themselves of misconduct charges.

### **Vietnam**

#### **Senator McCain's Call for Normalization Hailed**

*BK2305105995 Hanoi Voice of Vietnam in English  
1000 GMT 23 May 95*

[Station commentary]

[FBIS Transcribed Text] Unites States newspaper THE WASHINGTON POST on Sunday quoted Republican Senator John McCain as calling for normalization of relations with Vietnam. Here is our comment:

Senator McCain, a former prisoner of the war for five years in Vietnam, said that Vietnam had created conditions for the resumption of relations with the United States, which included contributions to finding political solutions for the conflict in Cambodia and accounting for Americans reported missing in the Vietnam war. Vietnam's cooperation ensured early normalization of bilateral relations, which in turn, Senator McCain said, helped promote the renovation process in Vietnam. He

held that in whatever circumstances, United States could not isolate Vietnam.

Indeed, United States has no reason to delay full normalization of relations. Many United States missions have visited Vietnam and highly appreciated Vietnam's cooperation in settling the prisoners of war and MIA issues. The Chinese newspaper PEOPLE'S DAILY on 21 January this year said that Vietnam fully cooperated with the United States in the search for MIA's and provided the United States with documents and photographs to this end. Vietnam allowed the United States to have access to important documents and records, carried out dozens of joint searches, and handed over to the United States nearly 600 sets of remains of American servicemen. The American public has increasingly called on the Washington administration to normalize relations.

Recently, a delegation of the United States Chamber of Commerce based in Hong Kong met with high-ranking American Government and Congress officials to lobby for normalization. They maintained that though the embargo on Vietnam was lifted early last year and the United States and Vietnamese liaison offices have been opened, diplomatic relation has not been restored. It resulted in disadvantages for the United States businesses and economic and trade competition. They urged the United States to restore relations with Vietnam to facilitate trade, export, and investment in Vietnam.

In an interview with the INTERNATIONAL WORLD TRADE of Vietnam at the time when Vietnam was celebrating the 20th anniversary of the country's total liberation, Senator McCain said that without the insurance and assistance of the United States Government, American companies were meeting with difficulties in their business in Vietnam. If bilateral relations were restored, United States total investment in Vietnam could have increased to \$7 billion and created about 100,000 jobs in the States.

It was the matter that United States politicians have to take into account when they enter the presidential election campaign late this year.

#### **Continuing Sino-Vietnamese Dialogue Reported**

*BK2205120095 Hanoi Voice of Vietnam in English  
1000 GMT 22 May 95*

[FBIS Transcribed Text] The fifth round of talks of the Vietnam and Chinese working team on border issues was held in Hanoi from May 22 to 27. Here is a report on this continuing dialogue that promises to continue for a while yet.



Questions relating to borders from both the mainland and the sea are pending issues in the relationship and cooperation between Vietnam and China. They are also pending issues, of course, among countries with sovereignty claims over the Eastern Sea. Vietnam and China have been working on border issues resolution for mutual benefit and for peace, stability, and development in the region.

Since the normalization of Sino-Vietnamese relations, the exchange of visits of top and senior leaders of the party and state leaders have promoted the development of bilateral relations and cooperation. Following the visit to Vietnam by Chinese Party General Secretary Jiang Zemin last year, Vietnamese Foreign Minister Nguyen Manh Cam has visited China.

During talks in Beijing last week, Minister Nguyen Manh Cam and his Chinese counterpart, Qian Qichen, agreed that following the visit to Vietnam by Chinese President Jiang Zemin last year, bilateral relations between the two countries have improved considerably. The two sides have agreed to a number of measures to further develop bilateral cooperation in economic, trade, science, and technology. The first session of the Sino-Vietnamese Joint Economic Committee will meet in Beijing in July.

The two foreign ministers welcomed the results of the fourth round of talks on common land border and in the Tonkin Gulf and agreed to promote the negotiation process and to soon set up specialists groups on maritime border questions, as agreed upon by leaders of both countries during the visit to Vietnam by President Jiang Zemin.

In this spirit, the two sides also agreed to conduct the third round of talks at the senior governmental level on border and territorial issues in Beijing in July. They hoped that the talks will obtain positive results, contributing to solving pending issues in bilateral relations.

The two foreign ministers also agreed that while waiting for a durable and fundamental solution, the two sides should strictly abide by all agreements reached by their leaders and the agreement on fundamental principles reached at the October 1993 governmental talks. Furthermore, they should restrain themselves from aggravating the situation, not broadening disputes, not use of violence or threat to use of violence while respecting sovereignty and territorial integrity within the framework of the international laws and practices, especially the 1982 United Nations Convention on the Law of the Sea. Foreign Minister Nguyen Manh Cam stressed that the Eastern Sea [South China Sea] question must be solved through peaceful negotiations among parties concerned. The two sides agreed that maintaining peace and

stability in the region was very significant for the development of each country in the region.

#### **Foreign Minister Visits Mongolia 13-17 May**

*BK1905134795 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 18 May 95*

[FBIS Translated Text] Our country's foreign minister, Nguyen Manh Cam, paid an official visit to Mongolia from 13-17 May at the invitation of the Mongolian Government. Mongolian President Ochirbat, Prime Minister Jasray, and Parliament Speaker Bagabandi cordially received Foreign Minister Nguyen Manh Cam.

The Vietnamese foreign minister held talks with Mongolian Minister of Foreign Relations Gombosuren and toured a number of economic and cultural facilities in Ulan Bator and other localities. A delegation of the Mongolia-Vietnam Friendship Association headed by honorary President (Janian), and incumbent President (Asia) paid a courtesy call on Foreign Minister Nguyen Manh Cam.

In their meetings and talks, the two sides unanimously maintained that Vietnam and Mongolia have enjoyed traditionally fine friendship for more than 40 years now. In recent years, bilateral relations slowed down somewhat due to objective circumstances but have now taken a positive turn and entered a new stage of development, as demonstrated by the fine results of President Ochirbat's visit to Vietnam in March 1994. The two sides maintained that the agreement reached by high-level Vietnamese and Mongolian leaders and the traditional ties between the two peoples serve as a firm basis for enhancing friendship and expanding cooperation for mutual benefit in the future.

Vietnam and Mongolia are located in Asia. Yet, because they have different natural conditions, the two countries can complement each other in many domains to stimulate each country's growth and contribute to consolidating the trend of peace, stability, and development in the region.

The two sides exchanged views and concurred on practical measures to promote economic cooperation through appropriate forms of activities, step up goods exchanges in a more practical manner, and implement directions agreed upon by high-level leaders of the two countries. The two sides also agreed to strengthen cooperation between the two Foreign Ministries.

The Mongolian leaders maintained that following President Ochirbat's visit to Vietnam, this visit to Mongolia by the Vietnamese foreign minister was of important significance for the development of bilateral ties.



Foreign Ministers Nguyen Manh Cam and Gombosuren initialed the two countries' cooperation and friendship treaty and signed an agreement on cooperation between the two Foreign Ministries. The two sides agreed to accelerate the preparations for the early signing of the agreement on investment promotion and protection, the agreement on avoidance of double taxation, and a

number of other documents to create the legal basis for enhancing and expanding long-term cooperation between the two countries.

Our country's ambassador to Mongolia, Vu Van Vach, joined the Vietnamese delegation in its activities.



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